

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

FINANCIAL STATEMENTS

*YEAR ENDED JUNE 30, 2022*



TOWN OF NEW SHOREHAM, RHODE ISLAND

June 30, 2022

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**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*June 30, 2022*

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## *Independent Auditors' Report*

To the Honorable First Warden and Members of the Town Council  
Town of New Shoreham  
New Shoreham, Rhode Island

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of New Shoreham, Rhode Island (“the Town”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to the financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Emphasis of the Matter**

As discusses in the Notes of the financial statements, during fiscal year 2022 the Town adopted new accounting guidance, Governmental Accounting Standards Board Statements No. 87 “Leases.” Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, OPEB and Pension Disclosures, and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, the budgetary comparison for both the water and sewer funds, tax collector's annual report, and annual supplemental transparency portal (MTP2) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the budgetary comparison for both the water and sewer funds, tax collector's annual report, and the annual supplemental transparency portal (MTP2) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2022, on our consideration of the Town of New Shoreham, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of New Shoreham, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of New Shoreham, Rhode Island's internal control over financial reporting and compliance.



Fall River, Massachusetts  
December 31, 2022

## Town of New Shoreham, Rhode Island

### Management Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2022*

The management of the Town of New Shoreham, Rhode Island (herein, the Town), offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with additional information found within the financial statements.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

#### **Financial Highlights**

The assets plus deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources at June 30, 2022 by \$40,665,837 (net position). Net position includes \$35,201,623 net investment in capital assets; \$7,597,058 of restricted net position; and (\$2,132,844) of unrestricted net position that may be used to meet the Town's ongoing obligations to citizens and creditors. Total assets plus deferred outflows were \$86,354,779 and total liabilities plus deferred inflows were \$45,688,942 at June 30, 2022. The Town's total net position increased by \$3,520,857 in FY 2022.

As of June 30, 2022, the Town's governmental funds reported combined ending fund balances of \$4,694,082 a decrease of \$2,104,312 from the prior year.

As of June 30, 2022, the unassigned fund balance for the General Fund was \$2,192,228 or 13% of total budgeted 2022 General Fund expenditures and other financial uses of \$16,560,130. This amount is available for spending at the Town's discretion.

The Town issued a debt during the fiscal year 2022 which included a General Obligation Bond of \$8,400,000 and a Bond Anticipation Note of \$8,000,000. The general obligation bond is borrowed at an interest rate of 2.14% and matures in Fiscal Year 2031. The bond anticipation note is a short term borrowing at an interest rate of 1.21% and matures in Fiscal Year 2023.

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of New Shoreham's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus the individual components of the Town's government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. The report also contains other required supplementary information in addition to the basic financial statements themselves.

#### **Government-Wide Financial Statements**

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private sector business. The statements provide both short-term and long-term information about the Town's financial position, which assists in assessing the Town's economic position at the end of the fiscal year.

The government-wide financial statements include two statements:

*Statement of Net Position* - Presents all of the government's assets and liabilities along with any deferred inflows and/or outflows of resources, with the difference being reported as net position. The amount of net position is widely considered a good measure of the Town's financial health as increases and decreases in the Town's net position serves as a useful indicator of whether the financial position is improving or deteriorating.

## Town of New Shoreham, Rhode Island

### Management Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2022*

#### **Government-Wide Financial Statements (Continued)**

*Statement of Activities* - Presents information showing how the government's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not only result in cash flows in future fiscal periods (e.g., uncollected taxes or earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions and activities that are intended to recover all or a significant portion of the Town's costs through user fees or charges (*business-type activities*). The governmental activities of the Town include general government; finance administration; fire, rescue and emergency services; police; highways and maintenance; harbors; building official; recreation; library; GIS/Technology; boards and commissions; community support and education. The business-type activities of the Town include a Sewer Fund and a Water Fund.

The government-wide financial statements include not only the Town itself (known as the *primary government*), but also a legally separate land trust for which the Town is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government.

In the statement of activities, the operations of the Town are presented in a format that reports the net expenses and revenues of its individual functions - the objective being to report the relative burden of each of the Town's functions to the taxpayers. Revenues offsetting related functional expenses are separated into three categories: charges for services, operating grants and contributions, and capital grants and contributions.

The government-wide financial statements can be found on pages indicated on the table of contents of this report.

#### **Fund Financial Statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds:

**Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds and governmental activities*.

The Town maintains twenty-one individual governmental funds and one component unit fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, School Department and Broadband Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. The individual Component Unit fund has been separately presented.

## Town of New Shoreham, Rhode Island

### Management Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2022*

#### **Fund Financial Statements (Continued)**

##### ***Governmental Funds (Continued)***

The basic governmental fund financial statements can be found on pages indicated on the table of contents of this report.

The Town adopts an annual budget for its general fund and school unrestricted fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

***Proprietary Funds*** are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Both of the Town's enterprise funds, Sewer Fund and Water Fund, are major funds. The Town has no internal service funds.

The basic proprietary fund financial statements can be found on pages indicated on the table of contents of this report.

The Town adopts an annual budget for its Sewer and Water funds. Budgetary comparison statements have been provided to demonstrate compliance with those budgets.

***Fiduciary Funds***. Such funds are used to account for resources held for the benefit of parties outside the Town government. *Fiduciary funds* are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The School OPEB Trust fund and North Light Fund are fiduciary funds.

The basic fiduciary fund financial statement can be found on pages indicated on the table of contents of this report.

#### **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government and fund financial statements. The notes to the basic financial statements can be found on pages indicated on the table of contents of this report.

#### **Other Required Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information presents schedules detailing certain pension information, as well as budgetary comparison schedules for the General Fund to demonstrate compliance with their respective budgets. Requirement supplementary information can be found on pages indicated on the table of contents of this report.

#### **Government-Wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$40,665,837 at June 30, 2022.

Net investment in capital assets, comprises \$35,201,623 or 87% of total net position. This represents the Town's investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and vessels), less any related debt used to acquire those assets that is still outstanding. The town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is report net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net position totaling \$7,597,058 or 19%, represents resources that are subject to external restrictions on how they may be used. Of these restricted net position, \$4,116,362 is permanently restricted and is nonexpendable. Unrestricted net position, totaling (\$2,132,844) may be used to meet the government's ongoing obligations to citizens and creditors.

**Town of New Shoreham, Rhode Island**

Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

**Government-Wide Financial Analysis (Continued)**

**Town of New Shoreham's Net Position - Primary Government  
June 30, 2022 and 2021**

	Governmental Activities		Business-Type Activities		Total		Change
	2022	2021	2022	2021	2022	2021	
<b>Assets</b>							
Current assets	\$ 18,417,358	\$ 8,582,059	\$ 4,998,189	\$ 4,538,386	\$ 23,415,547	\$ 13,120,445	\$ 10,295,102
Capital assets	50,230,198	40,569,884	11,275,486	11,200,626	61,505,684	51,770,510	9,735,174
Total assets	<u>68,647,556</u>	<u>49,151,943</u>	<u>16,273,675</u>	<u>15,739,012</u>	<u>84,921,231</u>	<u>64,890,955</u>	<u>20,030,276</u>
<b>Deferred outflows of resources</b>							
Bond refunding	59,344	71,720	-	-	59,344	71,720	(12,376)
OPEB related outflows	155,101	-	-	-	155,101	-	155,101
Pension related outflows	1,219,103	1,299,701	-	-	1,219,103	1,299,701	(80,598)
Total deferred outflows of resources	<u>1,433,548</u>	<u>1,371,421</u>	<u>-</u>	<u>-</u>	<u>1,433,548</u>	<u>1,371,421</u>	<u>62,127</u>
<b>Liabilities</b>							
Current liabilities	14,744,450	4,200,967	355,143	348,022	15,099,593	4,548,989	10,550,604
Long-term liabilities	22,350,653	18,492,359	5,126,623	3,893,306	27,477,276	22,385,665	5,091,611
Total liabilities	<u>37,095,103</u>	<u>22,693,326</u>	<u>5,481,766</u>	<u>4,241,328</u>	<u>42,576,869</u>	<u>26,934,654</u>	<u>15,642,215</u>
<b>Deferred inflows of resources</b>							
OPEB related inflows	489,354	-	-	-	489,354	-	489,354
Pension related inflows	2,622,719	643,686	-	-	2,622,719	643,686	1,979,033
Total deferred inflows of resources	<u>3,112,073</u>	<u>643,686</u>	<u>-</u>	<u>-</u>	<u>3,112,073</u>	<u>643,686</u>	<u>2,468,387</u>
<b>Net position</b>							
Net investment in capital assets	29,159,718	25,556,909	6,041,905	7,223,102	35,201,623	32,780,011	2,421,612
Restricted	7,574,102	2,115,726	22,956	17,956	7,597,058	2,133,682	5,463,376
Unrestricted	(6,859,892)	(486,283)	4,727,048	4,256,626	(2,132,844)	3,770,343	(5,903,187)
Total net position	<u>\$ 29,873,928</u>	<u>\$ 27,186,352</u>	<u>\$ 10,791,909</u>	<u>\$ 11,497,684</u>	<u>\$ 40,665,837</u>	<u>\$ 38,684,036</u>	<u>\$ 1,981,801</u>

In the current year the Town of New Shoreham incurred expenses of \$4,776,043 for the Broadband Capital Project, which caused a deficit of \$6,491,000. This will be permanently financed through the issuance of the \$8,000,000 Bond Anticipation Note.

**Component unit.** The assets plus deferred outflows of the Town's Component Unit, the Block Island Land Trust (Land Trust), exceeded its liabilities plus deferred inflows by \$38,091,790. Net investment in capital assets, comprises \$33,461,974, or 88% of total net position. The remaining balance of net position of the Land Trust, totaling \$4,629,816 restricted for land to be held in perpetuity.

## Town of New Shoreham, Rhode Island

### Management Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2022*

#### Government-Wide Financial Analysis (Continued)

##### Changes in Net Position

The Town's net position increased by \$3,520,857 in FY 2022. Approximately 55 % of the Town's total revenue came from taxes and payments in lieu of taxes, while 11.50% resulted from grants and contributions (including federal aid). Charges for various goods and services provided 25% of total revenue. The Town's expenses cover a range of services, the largest of which were for schools, public works and harbors, administration costs, and employee benefits. In 2022, governmental activities revenues exceeded expenses by \$2,883,632. Net revenues from business-type activities exceed program expenses in 2022 by \$637,225.

#### Town of New Shoreham's Changes in Net Position - Primary Government For the Year Ended June 30, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total		Change
	2022	2021	2022	2021	2022	2021	
<b>Revenues:</b>							
Program Revenues:							
Charges for service	\$ 2,889,803	\$ 2,553,874	\$ 2,396,987	\$ 2,396,054	\$ 5,286,790	\$ 4,949,928	\$ 336,862
Operating grants and contributions	559,918	475,433	-	-	559,918	475,433	84,485
Capital grants and contributions	122,203	449,402	444,055	1,458,068	566,258	1,907,470	(1,341,212)
General Revenues:							
Property taxes	11,560,664	10,821,900	-	-	11,560,664	10,821,900	738,764
Grants and contributions	2,162,124	1,388,084	-	-	2,162,124	1,388,084	774,040
Other	435,327	1,127,679	64,027	119,238	499,354	1,246,917	(747,563)
Total revenue	<u>17,730,039</u>	<u>16,816,372</u>	<u>2,905,069</u>	<u>3,973,360</u>	<u>20,635,108</u>	<u>20,789,732</u>	<u>(154,624)</u>
<b>Expenses:</b>							
General government	1,642,115	2,676,260	-	-	1,642,115	2,676,260	(1,034,145)
Public safety	1,805,477	1,981,514	-	-	1,805,477	1,981,514	(176,037)
Education	6,541,412	6,232,648	-	-	6,541,412	6,232,648	308,764
Public works	2,545,237	1,259,087	-	-	2,545,237	1,259,087	1,286,150
Recreation, library, and other	1,984,012	1,888,842	-	-	1,984,012	1,888,842	95,170
Public infrastructure	25,131	2,878,009	-	-	25,131	2,878,009	(2,852,878)
Economic development	13,160	47,871	-	-	13,160	47,871	(34,711)
Capital outlay	-	-	-	-	-	-	-
Interest on debt	359,532	472,032	-	-	359,532	472,032	(112,500)
Sewer	-	-	1,451,038	1,247,861	1,451,038	1,247,861	203,177
Water	-	-	816,806	698,845	816,806	698,845	117,961
Total expenses	<u>14,916,076</u>	<u>17,436,263</u>	<u>2,267,844</u>	<u>1,946,706</u>	<u>17,183,920</u>	<u>19,382,969</u>	<u>(2,199,049)</u>
Special Item- Other	69,669	-	-	-	69,669	-	69,669
Special Items- Sale of an Asset- Cherry Hill	-	1,460,011	-	-	-	1,460,011	(1,460,011)
Increase(decrease) in net position	2,883,632	840,120	637,227	2,026,654	3,520,857	2,866,774	654,083
Net position, July 1, 2021, restated	<u>26,990,296</u>	<u>26,346,232</u>	<u>10,154,684</u>	<u>9,471,030</u>	<u>37,144,980</u>	<u>35,817,262</u>	<u>1,327,718</u>
Net position, June 30, 2022	<u>\$ 29,873,928</u>	<u>\$ 27,186,352</u>	<u>\$ 10,791,909</u>	<u>\$ 11,497,684</u>	<u>\$ 40,665,837</u>	<u>\$ 38,684,036</u>	<u>\$ 1,981,801</u>

## Town of New Shoreham, Rhode Island

### Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

#### Governmental Activities

Governmental activities exceeded the expenditures by \$2,883,632 or 10.68%, over the prior year. Key elements of this increase are as follows:

- Property taxes were levied for debt service payments and program expenses.
- General revenues and charges for services were collected to offset governmental expenses.
- Issuance of bond proceeds

A comparison of the total and net cost of services by function for the Town's governmental activities is shown below.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>		<u>Change</u>
	2022	2021	2022	2021	
<b>Expenses net of program revenues:</b>					
General government	\$ 1,642,115	\$ 2,676,260	\$ 989,970	\$ 1,906,911	\$ (916,941)
Public safety	1,805,477	1,981,514	1,751,270	1,945,639	(194,369)
Public works	2,545,237	1,259,087	810,739	(382,908)	1,193,647
Education	6,541,412	6,232,648	5,850,962	5,877,224	(26,262)
Recreation, library, and other	1,984,012	188,842	1,559,379	1,609,392	(50,013)
Public infrastructure	25,131	2,878,009	9,140	2,481,393	(2,472,253)
Economic development	13,160	47,871	13,160	47,871	(34,711)
Interest on long-term debt	359,532	472,032	359,532	472,032	(112,500)
Total expenses net of program revenue	<u>\$ 14,916,076</u>	<u>\$ 15,736,263</u>	<u>\$ 11,344,152</u>	<u>\$ 13,957,554</u>	<u>\$(2,613,402)</u>

#### Component Unit

The net position of the Town's Component Unit increased by \$2,666,327. A key element in the increase is revenue derived from the 3% transfer fee.

#### General Fund Budgetary Highlights

The original budget for FY 2022 adopted at the Financial Town Meeting was \$16,560,130 no changes were made to the final budget.

Actual revenues reported in FY 2022 were more than budgeted amounts by \$245,095 primarily due to higher than anticipated building, recording and tourist revenue combined with scaled back budget estimates for FY2022.

Actual expenditures were less than budgeted amounts by \$156,349. The favorable variance was mainly due to general government salary savings and lowered technology expenses.

Further details of favorable and unfavorable variances for revenues and expenditures can be found on the Required Supplementary Information on the pages indicated on the Table of Contents of this report.

## Town of New Shoreham, Rhode Island

### Management Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2022*

#### Capital Asset and Debt Administration

**Capital assets.** The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounts to \$61,505,684 (net of accumulated depreciation). This investment includes land and land improvements, buildings and improvements, machinery and equipment, vehicles and vessels, furniture and fixtures, underground piping, wells/reserve osmosis/water supply and construction in progress. The total increase in the Town's investment in capital assets related to governmental activities for the current fiscal year was \$11,403,454 comprised of an increase related to business-type activities of \$651,912 offset by a increase of \$1,748,401 in depreciation and amortization related to governmental activities, and \$566,403 related to business-type activities.

Additions to capital assets in 2022 for governmental activities included land, construction-in-progress, road and bridge improvements, emergency vehicle investments and continued improvements at the School, offset by depreciation expense.

Additions to capital assets for business-type activities were primarily electrical and process upgrades and pump overhauls partially offset by depreciation expense.

Additional information on the Town's capital assets can be found in Note 8 to the financial statements.

	Capital Asset Administration						
	Governmental Activities		Business-Type Activities		Total		Change
	2022	2021	2022	2021	2022	2021	
Land and land easements	\$ 22,944,328	\$ 19,313,847	\$ 954,203	\$ 954,203	\$ 23,898,531	\$ 20,268,050	\$ 3,630,481
Construction in progress	7,256,922	2,420,985	91,734	1,594,433	7,348,656	4,015,418	3,333,238
Infrastructure, net	2,697,127	2,860,477	8,620,217	6,926,015	11,317,344	9,786,492	1,530,852
Land improvements, net	5,456,382	4,797,689	-	-	5,456,382	4,797,689	658,693
Building & improvements, net	8,584,893	9,244,776	1,306,496	1,444,879	9,891,389	10,689,655	(798,266)
Automobiles and vessels, net	1,578,487	461,374	-	-	1,578,487	461,374	1,117,113
Machinery and equipment, net	1,425,795	1,207,578	275,996	243,607	1,701,791	1,451,185	250,606
Office equipment and furniture, net	203,927	220,883	-	-	203,927	220,883	(16,956)
Library books and textbooks net	31,424	42,275	-	-	31,424	42,275	(10,851)
Right to Use Leased asset, net	50,913	26,282 *	26,840	37,489 *	77,753	63,771	13,982
<b>Total</b>	<b>\$ 50,230,198</b>	<b>\$ 40,596,166</b>	<b>\$ 11,275,486</b>	<b>\$ 11,200,626</b>	<b>\$ 61,505,684</b>	<b>\$ 51,796,792</b>	<b>\$ 9,708,892</b>

\*The Town of New Shoreham restated beginning capital assets due to the implementation of GASB 87.

Additional information on the Town's capital assets can be found in Note 8 to the financial statements.

**Long-term debt.** As of June 30, 2022, the Town has total bonded debt outstanding of \$26,077,897 which is backed by the full faith and credit of the Town.

The Town has capital leases outstanding at June 30, 2022 with a balance totaling \$77,754.

The Town's Component Unit has total notes payable outstanding to the Town of \$2,850,000 consisting primarily of general obligation bonds issued through the Town.

Additional information on the Town's long-term debt can be found in Note 9 to the financial statements.

**Town of New Shoreham, Rhode Island**

Management Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2022*

**Capital Asset and Debt Administration (Continued)**

**Long-term debt (continued).**

**Town of New Shoreham's Outstanding Debt - Primary Government**

	Governmental Activities		Business-type Activities		Total		\$ Change
	2022	2021	2022	2021	2022	2021	
General obligation bonds	\$ 20,927,000	\$ 14,883,023	\$ 5,150,897	\$ 3,920,290	\$ 26,077,897	\$ 18,803,313	\$ 7,274,584
Capital leases	50,914	26,609	26,840	33,470	77,754	60,079	17,675
Accrued compensated absences	402,175	416,320	86,841	77,232	489,016	493,552	(4,536)
Net other post-employment benefit liability	295,092	377,411	-	-	295,092	377,411	(82,319)
Net pension liability	3,263,732	5,230,111	-	-	3,263,732	5,230,111	(1,966,379)
Total expenditures	<u>\$ 24,938,913</u>	<u>\$ 20,933,474</u>	<u>\$ 5,264,578</u>	<u>\$ 4,030,992</u>	<u>\$ 30,203,491</u>	<u>\$ 24,964,466</u>	<u>\$ 5,239,025</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent (3%) of its total equalized valuation. The debt limitation for the Town is \$50,933,133 as of the December 31, 2020 assessment, which significantly exceeds the Town's outstanding general debt.

In January 2009, S&P upgraded the Town's bond rating from A+ to AA. Primary factors driving the ratings increase include sound financial position, low per capita debt levels and strong market value per capita. This rating was affirmed in June 2009, June 2010, June 2012, July 2015.

**Component Unit**

The Town's component unit, the Block Island Land Trust, was created by an Act of the Rhode Island General Assembly on January 15, 1986. The purpose of the Land Trust is to acquire, hold and manage real property and interests in real property situated in the Town consisting of open, agricultural, or littoral property. With the exception of property acquired for public recreational purposes, the Land Trust is required to hold all property solely as open space or for agricultural use or for water protection purposes, as determined by the Board of Trustees.

The Land Trust is funded principally by fees levied on qualifying real property transfers within the Town. The transfer fee adopted by the Land Trust for the year ended June 30, 2022 was 3%.

The Land Trust may request the Town to issue bonds for the purpose of financing its activities. The Land Trust has used proceeds from portions of authorized bond amounts for land and land right acquisitions and is responsible for the repayment of all principal and interest. The Land Trust was authorized to bond up to \$6,000,000 in May 2001. It used \$3,500,000 to purchase the Hodge property in FY 2003, and \$450,000 to purchase the Turnip Farm land. At the May 2, 2005 Financial Town Meeting, voters authorized an additional \$4,000,000 for total authority of \$6,050,000. During 2012, the Town issued a bond in the amount of \$2,364,000 to finance the Trust's acquisitions. The remaining authority is \$2,186,000. In March the Town issued a general obligation bond in the amount of \$8,400,000. The Block Island Land Trust's portion of the Town's general obligation bond is \$1,500,000.

For further information regarding the Block Island Land Trust, refer to separately issues financial statements.

## **Town of New Shoreham, Rhode Island**

### **Management Discussion and Analysis (MD&A)**

*For the Year Ended June 30, 2022*

#### **Economic Factors and Next Year's Budget and Rates**

The Town of New Shoreham, popularly known as Block Island, enjoys a favorable economic environment and local indicators point to continued strength. Tourism, construction and real estate demand remained strong.

Block Island is a 10 square mile island off the coast of Rhode Island at the mouth of Long Island Sound. The year-round population of approximately 1,051 ranks New Shoreham smallest among the 39 cities and towns in Rhode Island, but the summer population swells to between 15,000 and 20,000. Employment is primarily in service industries, focused on the tourism sector. The predominantly residential tax base (90% residential) shows small but steady growth that brought the net assessed value to \$1,697,744,297 at December 31, 2020.

The annual Financial Meeting was held May 2, 2022. With the approval of the tax payers on that date, the tax rate on real and tangible property increased by (\$0.38)/\$1,000 (5.67%) to \$7.08/\$1,000.

In October 2004, the Town entered into an agreement with the State of Rhode Island Department of Transportation for the management of the State-owned highways on the island. Under this agreement, the Town oversees the day-to-day maintenance and operations of the State highways. In exchange, the State compensates the Town \$425,000 annually. The State retains responsibility for any major capital improvements required.

#### **Requests for Information**

This financial report is designed to provide a general overview of the Town of New Shoreham's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, PO Box 220, 16 Old Town Road, Block Island, RI 02807.

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*Basic Financial Statements*

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**Town of New Shoreham, Rhode Island**

Statement of Net Position

*June 30, 2022*

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Block Island Land Trust</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 11,347,573	\$ 5,179,427	\$ 16,527,000	\$ 3,103,957
Investments	27,075	-	27,075	-
Receivables, net				
Personal property taxes	292,355	-	292,355	-
User charges	-	334,094	334,094	-
Intergovernmental	396,766	422,416	819,182	-
Departmental and other	221,420	-	221,420	-
Other		854	854	33,019
Other receivables - Town shared debt	-	-	-	1,500,000
Internal balances	938,602	(938,602)	-	-
Pension Asset	1,336,774	-	1,336,774	-
Investment in BIPCO	1,006,793	-	1,006,793	-
Notes Receivable- Component Unit	2,850,000	-	2,850,000	-
Capital Assets				
Capital assets not being depreciated	30,201,250	1,045,938	31,247,188	36,455,567
Capital assets being depreciated, net	20,028,948	10,229,548	30,258,496	-
Total capital assets	<u>50,230,198</u>	<u>11,275,486</u>	<u>61,505,684</u>	<u>36,455,567</u>
Total assets	<u>68,647,556</u>	<u>16,273,675</u>	<u>84,921,231</u>	<u>41,092,543</u>
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related outflows	1,219,103	-	1,219,103	-
OPEB related outflows	155,101	-	155,101	-
Loss on bond refunding	59,344	-	59,344	-
Total assets and deferred outflows of resources	<u>\$ 70,081,104</u>	<u>\$ 16,273,675</u>	<u>\$ 86,354,779</u>	<u>\$ 41,092,543</u>

*The accompanying notes are an integral part of this statement.*

**Town of New Shoreham, Rhode Island**

Statement of Net Position

June 30, 2022

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Block Island
	Activities	Activities		Land Trust
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 2,460,513	\$ 159,844	\$ 2,620,357	\$ 7,160
Accrued interest	76,332	22,824	99,156	-
Other current liabilities	-	1,500	1,500	-
Due to federal and state governments	43,767	-	43,767	-
Payable to external parties (BILT)	1,500,000	-	1,500,000	-
Current portion of capital leases	26,684	1,737	28,421	-
Current portion of bond premium	7,685	-	7,685	-
Current portion of bonds and notes payable	2,530,000	137,066	2,667,066	251,607
Bond anticipation note (BAN)	8,000,000	-	8,000,000	-
Current portion of compensated absences	99,469	32,172	131,641	-
Portion due or payable in more than one year:				
Capital leases	24,230	25,103	49,333	-
Bond premium	67,893	-	67,893	-
Bonds and notes payable	18,397,000	5,046,851	23,443,851	2,598,393
Compensated absences	302,706	54,669	357,375	-
Net OPEB liability	295,092	-	295,092	-
Net pension liability	3,263,732	-	3,263,732	-
Total liabilities	37,095,103	5,481,766	42,576,869	2,857,160
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related inflows	2,622,719	-	2,622,719	-
OPEB related inflows	489,354	-	489,354	-
Gains on refunding of debt	-	-	-	143,593
Total deferred inflows or resources	3,112,073	-	3,112,073	143,593
<b>NET POSITION</b>				
Net investment in capital assets	29,159,718	6,041,905	35,201,623	33,461,974
Restricted corpus of endowment funds	259,569	-	259,569	-
Restricted for the Investment in BIPCO	1,006,793	-	1,006,793	-
Restricted land trust note receivable	2,850,000	-	2,850,000	-
Restricted for capital outlay by bond covenant	16,391	-	16,391	-
Restricted for Road Repairs	2,000,000	-	2,000,000	-
Restricted for recreation and other	1,251,740	-	1,251,740	-
Restricted for Deer management	254	-	254	-
Restricted for Historic records	22,008	-	22,008	-
Restricted for technology fund	84,767	-	84,767	-
Restricted for apartments	-	22,956	22,956	-
Restricted for North light purposes	15,617	-	15,617	-
Restricted for Opiod settlement	13,718	-	13,718	-
Restricted for land to be held in perpetuity	-	-	-	4,629,816
Restricted for educational purposes	53,245	-	53,245	-
Unrestricted	(6,859,892)	4,727,048	(2,132,844)	-
Total net position	29,873,928	10,791,909	40,665,837	38,091,790
Total liabilities, deferred inflows or resources and net position	\$ 70,081,104	\$ 16,273,675	\$ 86,354,779	\$ 41,092,543

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Statement of Activities

*For the Year Ended June 30, 2022*

	<u>Net (Expense) Revenue and Changes in Net Position</u>							
	<u>Expenses</u>	<u>Program Revenues</u>			<u>Primary Government</u>			<u>Component Unit</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Block Island Land Trust</u>
<b>Governmental Activities</b>								
General government	\$ 1,642,115	\$ 614,420	\$ 37,725	\$ -	\$ (989,970)	\$ -	\$ (989,970)	\$ -
Public safety	1,805,477	22,329	15,887	15,991	(1,751,270)	-	(1,751,270)	-
Education	6,541,412	112,128	489,101	89,221	(5,850,962)	-	(5,850,962)	-
Public works	2,545,237	1,728,398	5,100	1,000	(810,739)	-	(810,739)	-
Recreation, library, and other	1,984,012	412,528	12,105	-	(1,559,379)	-	(1,559,379)	-
Public infrastructure	25,131	-	-	15,991	(9,140)	-	(9,140)	-
Economic development	13,160	-	-	-	(13,160)	-	(13,160)	-
Capital outlay	-	-	-	-	-	-	-	-
Interest on debt	359,532	-	-	-	(359,532)	-	(359,532)	-
Total governmental activities	<u>14,916,076</u>	<u>2,889,803</u>	<u>559,918</u>	<u>122,203</u>	<u>(11,344,152)</u>	<u>-</u>	<u>(11,344,152)</u>	<u>-</u>
<b>Business-Type Activities</b>								
Water	1,451,038	1,488,826	-	-	-	37,788	37,788	-
Sewer	816,806	908,161	-	444,055	-	535,410	535,410	-
Total business-type activities	<u>2,267,844</u>	<u>2,396,987</u>	<u>-</u>	<u>444,055</u>	<u>-</u>	<u>573,198</u>	<u>573,198</u>	<u>-</u>
Total primary government	<u>17,183,920</u>	<u>5,286,790</u>	<u>559,918</u>	<u>566,258</u>	<u>(11,344,152)</u>	<u>573,198</u>	<u>(10,770,954)</u>	<u>-</u>
<b>Component Unit</b>								
Block Island Land Trust	263,599	2,767,459	-	-	-	-	-	2,503,860
Total component units	<u>263,599</u>	<u>2,767,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,503,860</u>
Total Town of New Shoreham	<u>\$ 17,447,519</u>	<u>\$ 8,054,249</u>	<u>\$ 559,918</u>	<u>\$ 566,258</u>	<u>\$ (11,344,152)</u>	<u>\$ 573,198</u>	<u>\$ (10,770,954)</u>	<u>\$ 2,503,860</u>

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Statement of Activities

*For the Year Ended June 30, 2022*

	<b>Net (Expense) Revenue and Changes in Net Position</b>			
	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>	<b>Block Island Land Trust</b>
Total Town of New Shoreham	\$ (11,344,152)	\$ 573,198	\$ (10,770,954)	\$ 2,503,860
<b>General revenues</b>				
Real estate and personal property, net of reserve for abatements	11,560,664	-	11,560,664	-
Hotel and meals tax	1,238,314	-	1,238,314	-
State housing aid	346,793	-	346,793	-
Earnings on investments	11,124	-	11,124	11,544
State aid to town	138,946	-	138,946	-
State contribution to teachers' pension plan	426,947	-	426,947	-
Interest reimbursement- BILT	64,603	-	64,603	-
Other and Miscellaneous	370,724	64,027	434,751	150,923
Total general revenues	14,158,115	64,027	14,222,142	162,467
Special Item - Other	69,669	-	69,669	-
Total general revenues, special items, and transfers	14,227,784	64,027	14,291,811	162,467
Changes in net position	2,883,632	637,225	3,520,857	2,666,327
Net position - July 1, 2021, as restated	26,990,296	10,154,684	37,144,980	35,425,463
Net position - June 30, 2022	\$ 29,873,928	\$ 10,791,909	\$ 40,665,837	\$ 38,091,790

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Governmental Funds  
Balance Sheet

June 30, 2022

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Major Fund</u> <u>Capital Project</u> <u>Broadband Fund</u>	<u>Major Fund</u> <u>School *</u> <u>Department</u>	<u>Non-Major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>Assets</b>					
Cash and cash equivalents	\$ 9,237,370	\$ -	121,449	1,988,754	11,347,573
Investments	-	-	-	27,075	27,075
Receivables:					
Property taxes, net	292,355	-	-	-	292,355
Intergovernmental	330,478	-	26,082	40,206	396,766
Other	211,137	-	10,283	-	221,420
Due from other funds	11,992,280	1,032,519	1,203,782	2,519,199	16,747,780
Notes receivable, BILT	2,850,000	-	-	-	2,850,000
Investment in BIPCO	1,006,793	-	-	-	1,006,793
Total assets	<u>25,920,413</u>	<u>1,032,519</u>	<u>1,361,596</u>	<u>4,575,234</u>	<u>32,889,762</u>
<b>Deferred outflows of resources</b>					
None	-	-	-	-	-
Total assets and deferred outflows of resources	<u>25,920,413</u>	<u>1,032,519</u>	<u>1,361,596</u>	<u>4,575,234</u>	<u>32,889,762</u>
<b>Liabilities</b>					
Accounts payable and accrued expenses	1,536,584	243,017	671,070	9,842	2,460,513
Due to federal and state governments	43,767	-	-	-	43,767
Bond Anticipation Note (BAN)	8,000,000	-	-	-	8,000,000
Due to external party - BILT	1,500,000	-	-	-	1,500,000
Due to other funds	4,797,104	7,280,502	113,401	3,618,171	15,809,178
Total liabilities	<u>15,877,455</u>	<u>7,523,519</u>	<u>784,471</u>	<u>3,628,013</u>	<u>27,813,458</u>
<b>Deferred inflows of resources</b>					
Deferred revenue	382,222	-	-	-	382,222
Total deferred inflows of resources	<u>382,222</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>382,222</u>
<b>Fund balances</b>					
Nonspendable	3,856,793	-	-	259,569	4,116,362
Restricted	2,152,755	-	53,245	1,251,740	3,457,740
Committed	592,000	-	523,882	1,197,658	2,313,540
Assigned	866,960	-	(2)	-	866,958
Unassigned	2,192,228	(6,491,000)	-	(1,761,746)	(6,060,518)
Total fund balance	<u>9,660,736</u>	<u>(6,491,000)</u>	<u>577,125</u>	<u>947,221</u>	<u>4,694,082</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 25,920,413</u>	<u>\$ 1,032,519</u>	<u>\$ 1,361,596</u>	<u>\$ 4,575,234</u>	<u>\$ 32,889,762</u>

\*School unrestricted, restricted and capital projects detail is found in the Supplementary Information section of this report as combined funds and combined is considered a major program by the Town.

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Reconciliation of Governmental Balance Sheet Fund Balances to the Statement of Net Position

*For the Year Ended June 30, 2022*

Total governmental fund balances	\$ 4,694,082
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net	50,230,198
Deferred loss on refunding	59,344
MERS pension asset	1,336,774
Other long-term liabilities related to net pension activity that are not available to pay for current-period expenditures and, therefore, are deferred outflows of resources in the funds.	
ERS outflows	810,811
MERS outflows	408,292
OPEB outflows	155,101
Other deferred tax revenue not available to pay for current-period expenditures and, therefore, are not reported in the funds	
	382,222
Other long-term assets related to net pension activity that are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds.	
ERS inflows	(921,852)
MERS inflows	(1,700,867)
OPEB inflows	(489,354)
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.	
	(76,332)
Long-term liabilities are not due and payable in the current period period and, therefore are not reported in the governmental funds.	
Premium on Bonds	(75,578)
Bonds and notes payable	(20,927,000)
Capital leases	(50,914)
Compensated absences	(402,175)
Net other postemployment benefits liability	(295,092)
ERS - net pension liability	(2,937,294)
MERS - net pension liability	(326,438)
Net position of governmental activities	\$ 29,873,928

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Governmental Funds  
Balance Sheet

June 30, 2022

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Major Fund</u> <u>Capital Project</u> <u>Broadband Fund</u>	<u>Major Fund</u> <u>School *</u> <u>Department</u>	<u>Non-Major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>Revenues</b>					
Real estate and personal property taxes	\$ 11,377,318	\$ -	\$ -	\$ -	\$ 11,377,318
Intergovernmental	1,806,660	-	489,101	-	2,295,761
Licenses, permits, and fees	657,382	-	-	-	657,382
Charges for services	-	-	112,128	-	112,128
Investment Income	6,863	-	-	4,261	11,124
State contribution to teachers' pension plan	-	-	338,133	-	338,133
Medicaid reimbursement	-	-	21,395	-	21,395
Interest reimbursement-BILT	64,603	-	-	-	64,603
Other revenue	1,953,122	-	145,468	481,445	2,580,035
Total revenue	<u>15,865,948</u>	<u>-</u>	<u>1,106,225</u>	<u>485,706</u>	<u>17,457,879</u>
<b>Expenditures</b>					
General government	2,416,043	-	-	-	2,416,043
Public safety	1,564,849	-	-	-	1,564,849
Health and human services	-	-	-	10	10
Education	-	-	6,237,964	-	6,237,964
Public works	1,960,842	-	-	-	1,960,842
Recreation, library, and other	1,684,299	-	-	18,989	1,703,288
Public infrastructure	-	25,131	-	-	25,131
Economic development	-	-	-	25,971	25,971
Capital outlay	5,651,061	4,750,912	45,468	961,014	11,408,455
Debt service					
Principal	2,356,023	-	-	-	2,356,023
Principal refunded	-	-	-	-	-
Interest	346,971	-	-	-	346,971
Bond issuance cost and fees	36,965	-	-	-	36,965
Total expenditures	<u>16,017,053</u>	<u>4,776,043</u>	<u>6,283,432</u>	<u>1,005,984</u>	<u>28,082,512</u>
Excess (deficiency) of revenues over expenditures	(151,105)	(4,776,043)	(5,177,207)	(520,278)	(10,624,633)
<b>Other financing sources (uses)</b>					
Bond proceeds - Town	6,900,000	-	-	-	6,900,000
Bond proceeds - shared debt with BILT	1,500,000	-	-	-	1,500,000
Lease proceeds	50,652	-	-	-	50,652
Other	69,669	-	-	-	69,669
Transfers in	294,166	-	5,277,126	-	5,571,292
Transfers out	(5,272,797)	-	(4,329)	(294,166)	(5,571,292)
Other financing sources (uses)	<u>3,541,690</u>	<u>-</u>	<u>5,272,797</u>	<u>(294,166)</u>	<u>8,520,321</u>
<b>Excess of revenue and other sources over expenditures and other uses</b>	3,390,585	(4,776,043)	95,590	(814,444)	(2,104,312)
Fund balance, July 1, 2021	<u>6,270,151</u>	<u>(1,714,957)</u>	<u>481,535</u>	<u>1,761,665</u>	<u>6,798,394</u>
Fund balance, June 30, 2022	<u>\$ 9,660,736</u>	<u>\$ (6,491,000)</u>	<u>\$ 577,125</u>	<u>\$ 947,221</u>	<u>\$ 4,694,082</u>

\*School unrestricted, restricted and capital projects detail is found in the Supplementary Information section of this report as combined funds and combined is considered a major program by the Town.

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Reconciliation of Governmental Funds Statement of Revenues,  
Expenditures and Changes in Fund Balance to Statement of Activities

*For the Year Ended June 30, 2022*

Net change in fund balances - total governmental funds	\$ (2,104,312)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	9,634,032
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.	183,346
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt proceeds	(8,400,000)
Principal payments	2,356,023
Premium payments	35,714
Capital lease activity	(24,305)
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(12,561)
In the Statement of Activities, loss on refunding is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(12,376)
In the Statement of Activities, long term receivables are accrued as long term assets, and recognized as revenue when received.	-
The other postemployment benefit expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds.	82,319
Some expenses reported in the Statement of Activities, such as compensated absences do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	14,145
Some expenses reported in the Statement of Activities, such as state net pension liability and OPEB liability do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	<u>1,131,607</u>
Change in net position of governmental activities	<u>\$ 2,883,632</u>

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Proprietary Funds  
Statement of Net Position

*June 30, 2022*

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Sewer Enterprise</b>	<b>Water Enterprise</b>	<b>Total Enterprise</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 3,577,149	\$ 1,602,278	\$ 5,179,427
Receivables, net			
User fees	164,632	169,462	334,094
Intergovernmental	-	422,416	422,416
Assessments and miscellaneous fees	-	-	-
Other	500	354	854
Due from other funds	68,323	166,823	235,146
Total current assets	<u>3,810,604</u>	<u>2,361,333</u>	<u>6,171,937</u>
Non-current assets			
Capital assets not being depreciated	984,615	61,323	1,045,938
Capital assets being depreciated, net	4,568,656	5,660,892	10,229,548
Total non-current assets	<u>5,553,271</u>	<u>5,722,215</u>	<u>11,275,486</u>
Total assets	<u>9,363,875</u>	<u>8,083,548</u>	<u>17,447,423</u>
<b>Deferred outflows of resources</b>			
Deferred outflows	-	-	-
Total assets and deferred outflows of resources	<u>\$ 9,363,875</u>	<u>\$ 8,083,548</u>	<u>\$ 17,447,423</u>

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Proprietary Funds  
Statement of Net Position

June 30, 2022

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Sewer</b>	<b>Water</b>	<b>Total</b>
	<b>Enterprise</b>	<b>Enterprise</b>	<b>Enterprise</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued expenses	\$ 53,669	\$ 106,175	\$ 159,844
Other current liabilities	1,500	-	1,500
Current portion of bonds payable	51,555	85,511	137,066
Current portion of capital leases	-	1,737	1,737
Current portion of compensated absences	20,838	11,334	32,172
Accrued interest payable	19,115	3,709	22,824
Due to other funds	389,757	783,991	1,173,748
<b>Total current liabilities</b>	<b>536,434</b>	<b>992,457</b>	<b>1,528,891</b>
Non-current liabilities			
Bonds payable	2,573,084	2,473,767	5,046,851
Capital leases	-	25,103	25,103
Compensated absences	28,097	26,572	54,669
<b>Total non-current liabilities</b>	<b>2,601,181</b>	<b>2,525,442</b>	<b>5,126,623</b>
<b>Total liabilities</b>	<b>3,137,615</b>	<b>3,517,899</b>	<b>6,655,514</b>
<b>Deferred inflows of resources</b>			
Deferred inflows	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Position</b>			
Net investment in capital assets	2,909,517	3,132,388	6,041,905
Restricted for apartments	22,956	-	22,956
Unrestricted	3,293,787	1,433,261	4,727,048
<b>Total net position</b>	<b>6,226,260</b>	<b>4,565,649</b>	<b>10,791,909</b>
<b>Total liabilities, deferred inflows of resources and net position</b>	<b>\$ 9,363,875</b>	<b>\$ 8,083,548</b>	<b>\$ 17,447,423</b>

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Net Position

*For the Year Ended June 30, 2022*

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Sewer Enterprise</b>	<b>Water Enterprise</b>	<b>Total Enterprise</b>
<b>Operating revenues</b>			
Charges for services	\$ 1,488,826	\$ 908,161	\$ 2,396,987
Other revenues	52,744	11,283	64,027
Total operating revenues	<u>1,541,570</u>	<u>919,444</u>	<u>2,461,014</u>
<b>Operating expenses</b>			
Salaries and benefits	415,863	285,304	701,167
Services and supplies	598,393	285,149	883,542
Debt service	75,871	43,974	119,845
Depreciation	369,175	207,878	577,053
Total operating expenses	<u>1,459,302</u>	<u>822,305</u>	<u>2,281,607</u>
Operating income (loss)	<u>82,268</u>	<u>97,139</u>	<u>179,407</u>
<b>Nonoperating revenues (expenses)</b>			
Grant activity	-	444,055	444,055
Interest income/(expense)	8,264	5,499	13,763
Total nonoperating revenue (expenses)	<u>8,264</u>	<u>449,554</u>	<u>457,818</u>
Income (loss) before transfers	<u>90,532</u>	<u>546,693</u>	<u>637,225</u>
<b>Transfers</b>			
Transfer in	-	-	-
Transfers out	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	90,532	546,693	637,225
Total net position, July 1, 2021, restated	<u>6,135,728</u>	<u>4,018,956</u>	<u>10,154,684</u>
Total net position, June 30, 2022	<u>\$ 6,226,260</u>	<u>\$ 4,565,649</u>	<u>\$ 10,791,909</u>

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Proprietary Funds  
Statement of Cash Flows

*For the Year Ended June 30, 2022*

	<b>Business-type Activities Enterprise Funds</b>		
	<b>Sewer Enterprise</b>	<b>Water Enterprise</b>	<b>Total Enterprise</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 1,559,522	\$ 916,236	\$ 2,475,758
Cash due from (to) governments	-	1,035,652	1,035,652
Payments to suppliers and employees	(1,263,920)	(1,934,674)	(3,198,594)
Net cash provided (used) by operating activities	295,602	17,214	312,816
<b>Cash flows from noncapital financing activities</b>			
Grant revenue	8,264	444,055	452,319
Transfers in (out)	271,592	81,595	353,187
Net cash provided by noncapital financing activities	279,856	525,650	805,506
<b>Cash flows from capital and related financing activities</b>			
Purchases and construction of capital assets	6,393	(489,865)	(483,472)
Proceeds from new debt	-	1,343,000	1,343,000
Principal paid on capital debt	(51,555)	(60,838)	(112,393)
Interest paid on capital debt	(395)	(545)	(940)
Principal paid on capital lease	-	(6,630)	(6,630)
Net cash used by capital and related financing activities	(45,557)	785,122	739,565
<b>Cash flows from investing activities</b>			
Interest and dividends	-	5,499	5,499
Net cash used by investing activities	-	5,499	5,499
Net increase in cash and cash equivalents	529,901	1,333,485	1,863,386
Balances, July 1, 2021	3,047,248	268,793	3,316,041
Balances, June 30, 2022	\$ 3,577,149	\$ 1,602,278	\$ 5,179,427
Displayed as:			
Cash and cash equivalents	\$ 3,577,149	\$ 1,602,278	\$ 5,179,427

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Fiduciary Funds  
Statement of Net Position

*June 30, 2022*

	<b>Employee Benefits Trust Funds</b>	<b>Custodial Funds North Light Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 14,782
Investments	362,970	-
Accounts receivable	-	-
	-	-
Total assets	362,970	14,782
<b>Liabilities</b>		
Accounts payable	\$ -	\$ -
Deposits held	-	-
	-	-
Total liabilities	-	-
<b>Net Position</b>	362,970	-
Total net position	362,970	14,782
Total liabilities and net position	\$ 362,970	\$ 14,782

*The accompanying notes are an integral part of this statement.*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Fiduciary Funds  
Statement of Changes in Net Position

*For the Year Ended June 30, 2022*

	<b>Employee Benefits Trust Funds</b>	<b>Custodial Funds North Light Fund</b>
<b>Additions</b>		
Employer contributions	\$ 36,500	\$ -
Earnings on investment	(45,936)	-
Total additions	(9,436)	-
<b>Deductions</b>		
Administrative expenses	1,170	249
Transfer out	-	-
Total deductions	1,170	249
Changes in fund equity held in trust for individuals, organizations, and other governments	(10,606)	(249)
Net position, July 1, 2021	373,576	15,031
Net position June 30, 2022	\$ 362,970	\$ 14,782

*The accompanying notes are an integral part of this statement.*

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

*June 30, 2022*

### **NOTE 1: Summary of Significant Accounting Policies**

The basic financial statements of the Town of New Shoreham, Rhode Island (the "Town") have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental entities (U.S. GAAP). In certain instances, summaries of the Town's significant accounting policies have been presented throughout the notes to the basic financial statements in conjunction with other disclosures to which they relate.

#### **A. Financial Reporting Entity**

The Town was incorporated in 1672 and is governed under a home rule charter adopted in 1988 and revised in 2001 and 2011. The charter provides for a Town Council/Town Manager form of government. Legislative authority is vested in a five-member Town Council elected to biennial terms. A five-member School Committee is vested with autonomous legislative authority over the Town's public school system. Members of the School Committee are elected to biennial terms.

The council-appointed Town Manager serves as chief executive officer over all municipal services including public safety, public works (highway, harbors, maintenance, and sanitation), health and social services, recreation, public improvements, planning, zoning and inspection, and general administrative services. The Superintendent of Schools, appointed by the School Committee, serves as the chief executive officer for the School Department, which provides elementary and secondary education to Town residents.

All legislative powers of the Town, except such powers as are reserved by state law or vested in the Financial Town Meeting by the Charter and by-laws enacted by the Town Council, are vested in the Town Council by the Charter, including the ordering of any tax, making of appropriations and transacting of any other business pertaining to the financial affairs of the Town.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61, "Determining Whether Certain Organizations Are Component Units." A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. It was further noted through GASB 61 that the Land Trust and Town share a material financial relationship. Through the application of GASB Statement Nos. 14 and GASB 61 criteria, the Block Island Land Trust (Land Trust) has been presented as a component unit of the Town, hereinafter referred to as "component unit," in the accompanying government wide financial statements. The separate financial statements of the Land Trust can be obtained from the Block Island Land Trust, PO Box 220, Block Island, RI 02807.

An elected Board of Trustees governs the Land Trust. The purpose of the Land Trust is to promote preservation of the environment and character of the Town; preserve suitable open spaces for recreation and for the conservation of forestry and wildlife; promote responsible development of real estate and sound conservational practices; protect environmentally sensitive or threatened existing and/or future fresh-water wellfields, aquifer recharge areas and wetlands; and to promote public access and views of harbors, ponds, marshes, farmland or forest situated in the Town. Upon termination or dissolution of the Land Trust, title to all remaining funds, land and land rights will vest with the Town. The Land Trust is included in the Town's reporting entity because of the significance of its operational and financial relationships with the Town.

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### B. Basic Financial Statements - Government-Wide Statements

The government-wide statement of net position and statement of activities display information about the Town as a whole. They include all funds of the Town except for fiduciary funds and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The government-wide statement of activities presents a comparison between expenses and program revenue for each function of the Town's governmental activities. Program revenues include a) fees, fines and charges paid by the recipients of goods or services offered by the programs and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

#### C. Basic Financial Statements - Fund Financial Statements

Fund financial statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and,

Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

Fund types used by the Town and a description of the funds comprising each are as follows:

##### 1. Governmental Funds

Governmental funds are used to account for operations that supply basic government services. The Town uses the following governmental funds:

- a. **General Fund** is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.
- b. **Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Town's only major special revenue is comprised of aggregate School Department funds.

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### C. Basic Financial Statements - Fund Financial Statements (Continued)

##### 1. Governmental Funds (Continued)

- c. **Capital Projects Funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays. The Town's capital project funds include funds restricted for us on road construction, beach construction projects, general public works. The School's capital project fund is for School improvement projects, which is included within the combined School Department fund.
- d. **Permanent Funds** are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs. The Town's only permanent fund is the Cemetery Fund, which is a non-major fund.

##### 2. Proprietary Funds

Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Both of the Town's enterprise funds, Sewer Fund and Water Fund, are major funds. The Town has no internal service funds.

##### 3. Fiduciary Funds

Fiduciary funds are used to report assets held by the Town in a trustee or custodial capacity; therefore, they cannot be used to support the Town's own programs. The Town's only fiduciary funds are custodial funds which are established when the Town holds assets in custody for others in a custodial capacity and an OPEB trust fund which was established in 2016.

#### D. Measurement Focus and Basis of Accounting

The government wide-financial statements, proprietary and fiduciary fund financial statements, including the component unit, are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental fund financial statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual. Susceptibility occurs when revenues are both measurable and available for liquidating liabilities of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (sixty days). Revenues not considered to be available are recorded as deferred inflows of resources. Expenditures, including capital outlays, are recognized when a liability has been incurred, except for those involving debt service and other long-term obligations that are recognized when paid.

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### D. Measurement Focus and Basis of Accounting (Continued)

GASB 63 amends GASB 34 to incorporate deferred outflows of resources and deferred inflows of resources into the financial reporting model. Deferred outflows of resources are defined as a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets. Deferred inflows of resources are defined as an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

Those revenues susceptible to accrual are property taxes, special assessments, payments in lieu of taxes, federal impact aid, state aid, telephone, hotel and meals taxes collected by the State of Rhode Island (the State) on behalf of the Town, interest and charges for services. Fines, licenses and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash; therefore, they are recognized when received.

Recognition of grant revenues is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when actually received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made provided they are collected during the year or within 60 days subsequent to year-end. Prior to expenditure, proceeds are recorded as deferred revenues.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sewer Fund and the Water Fund are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### E. Financial Statements Amounts

##### 1. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition.

Under Rhode Island general laws, depository institutions must insure deposits of municipalities or pledge eligible collateral equal to 100% of deposits maturing in greater than 60 days. Any institution not meeting certain federally prescribed minimum capital standards must insure deposits or provide collateral regardless of date of maturity. The Town complied with these requirements. The Town does have a deposit policy for custodial credit risk or other risks, even though this risk is mitigated by collateralization agreements held by the Town which protect their cash and equivalents.

##### 2. Investments

Investments are reported at fair value, based on quotations from applicable national securities exchanges. Unrealized gains and losses from changes in fair value are recognized as investment income. State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

The Town does have a deposit policy that addresses various investment risks. These risks are also mitigated by collateralization agreements held by the Town which protect their investments.

##### 3. Interfund transactions

Transactions between funds have been eliminated in the government-wide financial statements but fully presented within the governmental fund financial statements with no eliminations made between or within funds. Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Interfund receivables and payables are classified as "due from other funds" or "due to other funds".

##### 4. Farm, Forest and Open Space

Certain taxpayers can file for reclassification of land assessments in accordance with farm, forest and open space guidelines. Subsequent land use changes within a ten-year period for farm or fifteen-year period for forest or open space result in the assessment of a land use change tax.

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2022

**NOTE 1: Summary of Significant Accounting Policies (Continued)**

**E. Financial Statements Amounts (Continued)**

**5. Capital Assets**

*Government-wide financial statements:*

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Capitalized fixed assets are defined by the Town as assets with an initial, individual cost of \$25,000 or more and an estimated useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The Town is exempt from reporting the value of prior infrastructure assets in its financial statements; however, the Town elected to report infrastructure assets commencing July 1, 2005. The value of business-type fund infrastructure assets is fully reported and depreciated as applicable in the enterprise fund financial statements.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The ranges of estimated useful lives by type of asset are as follows:

	<u>Useful Life</u>
Land improvements	30
Buildings and improvements	10-30
Furniture and fixtures	5
Motor vehicles and vessels	5-10
Machinery and equipment	5-10
Infrastructure	30

Capital assets of the component unit consist principally of non-depreciable land, which is stated at cost, if acquired, or estimated fair value at date of donation, if donated.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

*Fund financial statements:*

Capital assets acquired by governmental funds are accounted for as expenditures.

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### E. Financial Statements Amounts (Continued)

##### 6. Leases

A lease is a contract that conveys the control of the right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction. The Town has contracts in which it is a lessee and lessor. Lessors recognize a lease receivable and a deferred inflow of resources (not applicable to the Block Island Land Trust). Lessees recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease discount rate cannot be readily determined from the lease, the Town uses its incremental borrowing rate.

A right to use lease asset with a lease term greater than one year and an initial present value over \$50,000 are recorded as intangible assets. Right to use lease assets are amortized over the contract term of the lease. Leases that do not meet these criteria are recognized as current period revenues and expenses.

##### 7. Compensated absences

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual vacation and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

In the governmental fund financial statements, vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as expenditure and a fund liability of the governmental fund(s) that will pay it.

##### 8. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations (including compensated absences) are reported as liabilities in the statement of net position. Bond issuance premiums and discounts are deferred and amortized over the term of the related debt using the effective interest method. Bond issuance costs are reported as expenses when incurred.

In the governmental fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The face amount of debt issued is reported as another financing source. Bond premiums are reported as other financing sources while discounts are reported as other financing uses.

##### 9. Deferred Inflows of Resources

In the governmental fund financial statement, deferred inflows of resources represent funds received in advance of being owed or receivables which will be collected and included in revenues of future fiscal years.

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### E. Financial Statements Amounts (Continued)

##### 9. *Deferred Inflows of Resources (continued)*

In the General Fund, deferred inflows of resources relate to revenue that is measurable, but not available.

In the government-wide financial statements revenue is recorded when earned. Therefore, for these statements deferred inflows of resources represents unearned revenues and pension related inflows.

##### 10. *Fund equity/net position*

###### *Government-wide financial statements*

The Town's net positions have been segregated into the following three components:

- a) Net Investment in Capital Assets - to account for capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages note, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted Net Position - Net position should be reported as restricted when constraints placed on net position used are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- c) Unrestricted Net Position - Unrestricted equity consists of net position that does not meet the definition of "restricted net position" or "net investment in capital assets".

###### *Fund financial statements*

The Town's fund balance is reported in the following categories:

- a) Nonspendable - amounts that cannot be spent because they are either a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b) Restricted - amounts that have been restricted to specific purposes either by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- c) Committed - amounts constrained to specific purposes by the Town, using its highest level of decision-making authority.

Commitments will only be used for specific purposes pursuant to a formal action of the Voters at a Financial Town Meeting. Formal action is required to approve, modify, or rescind a fund balance commitment.

- d) Assigned - amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed.

The Town Council has the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### E. Financial Statements Amounts (Continued)

##### 10. Fund equity/net position (Continued)

- e) Unassigned - amounts available for any purpose.

Expenditures may be incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Composition of the ending fund balance will be determined by applying the following: In those instances, where both restricted and unrestricted amounts are available, restricted amounts will be considered to have been spent first (as allowed and in compliance with stated and specified terms or requirements), followed by committed amounts followed by assigned amounts, and then unassigned amounts.

##### 11. Property tax revenue

Property taxes are recognized as revenue in the year they are levied and become available. Taxes are levied in July on (a) eighty percent of the full and fair value of real and tangible personal property owned within the Town the previous December 31; and, (b) the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days so registered, reduced by the amount exempt under the Motor Vehicle Phase-Out Program and local ordinance. Taxes levied in July are payable on the 15<sup>th</sup> day of August. Taxes may be paid in quarterly installments on August 15, November 15, February 15 and May 15.

##### 12. Intergovernmental revenues

State aid is recognized as revenue in the year in which funds are appropriated by the Rhode Island General Assembly, provided they are collected during the same fiscal year or during the period of availability.

##### 13. Program Revenues and Expenses

In the statement of activities specific revenues are allocated to program expenses due to their direct relationships. Collections for licenses, fees, tickets and fines are among some of the revenue sources that are program revenues. Indirect expenses are not allocated to functions in the statement of activities.

##### 14. Bond Premiums

In the Governmental Fund Financial Statements, bond premiums and debt issuance costs are treated as period costs in the year of issuance. Debt issuance costs are shown as an "expenditure" and bond premiums are reflected as an "other financing source".

In the Government-Wide Statements, bond premiums are deferred and amortized over the term of the related debt. Bond premiums are presented as an addition to the face amount of the bonds.

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### E. Financial Statements Amounts (Continued)

##### 15. *Interfund Activity*

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

##### 16. *Bond issuance costs*

Bond issuance costs for government-wide operations and proprietary funds are no longer deferred and amortized over the terms of the bonds. Bond issuance costs are recognized as debt service expenditures in the period in which they occurred per GASB Statement 65.

##### 17. *Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures and/or expense are recorded in order to reserve portions of applicable appropriations, is employed in the governmental and business-type funds.

##### 18. *Use of estimates*

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements. Estimates also affect the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

##### 19. *Employees' Retirement System (ERS) Pension*

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System plan (ERS) and the additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### E. Financial Statements Amounts (Continued)

##### 20. *Municipal Employees' Retirement System (MERS) Pension*

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### 21. *Other Post-Employment Benefits (OPEB)*

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town's plan and additions to/deductions from Town's fiduciary net position have been determined on the same basis as they are reported by the Town. For this purpose, the Town recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

#### F. Implementation of New Accounting Principles

During the fiscal year June 30, 2022, the Town of New Shoreham has adopted the following new accounting standards by GASB:

GASB Statement 87, *Leases* was originally effective for periods beginning after December 15, 2019, however it was postponed by an additional eighteen months by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after December 15, 2020. The objective of this Statement is to improve accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. *The Town of New Shoreham implemented this standard, and it had an effect on the financial statements.*

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### Notes to the Financial Statements

June 30, 2022

#### NOTE 1: Summary of Significant Accounting Policies (Continued)

##### F. Implementation of New Accounting Principles (continued)

GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* was originally effective for periods beginning after December 15, 2019, however, it was postponed an additional year by GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after December 15, 2020. The objectives of this statements are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that interest cost incurred before the end of a construction period be recognized as an expense for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. ***The Town of New Shoreham implemented this standard, but it had no material effect on the financial statements.***

GASB Statement 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* was originally effective for periods beginning after December 15, 2018, however, it was postponed an additional year by GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after December 15, 2020. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement also requires that a component unit in which a government has 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component units. ***The Town of New Shoreham implemented this standard, but it had no material effect on the financial statements.***

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### F. Implementation of New Accounting Principles (continued)

GASB Statement 91, *Conduit Debt Obligations* was originally effective for reporting periods beginning after December 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics: (a) There are at least three parties involves: (1) an issuer, (2) a third-party obligor and (3) a debt holder or a debt trustee; (b) The issuer and the third party obligor are not within the same financial reporting entity; (c) The debt obligation is not a parity bond of the issuer, not is it cross-collateralized with other debt of the issuer; (d) The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuances; and (5) The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments.) This Statement also addresses arrangements-often characterized as leases-that are associated with conduit debt obligations. ***The Town of New Shoreham implemented this standard, but it had no material effect on the financial statements.***

GASB Statement No. 92, *Omnibus 2020* was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after June 15, 2021. This statement enhances the consistency of authoritative literature by addressing practice issues identified during implementation and application of certain GASB Statements. The statement addresses a variety of topics including, but not limited to effective dates of GASB 87 Leases for interim financial reports, reporting of transfers between the primary government and component unit defined benefit or defined benefit other postretirement benefit (OPEB) plan and the applicability of GASB 84 Fiduciary Activities to post employment benefit arrangements. ***The Town of New Shoreham implemented this standard, but it had no material effect on the financial statements.***

GASB Statement No. 93, *Replacement of Interbank Offered Rates* was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after June 15, 2021. The objective of this statement is to address those and other accounting and financial implications that result from the replacement of an IBOR. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR, most notably the London Interbank Offered Rate (LIBOR.) LIBOR is expected to cease in exist in its current form at the end of 2021 prompting governments to amend or replace certain financial instruments. ***The Town of New Shoreham implemented this standard, but it had no material effect on the financial statements.***

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### F. Implementation of New Accounting Principles (continued)

During the fiscal year June 30, 2022, the Town of New Shoreham was evaluating the following new accounting standards by GASB:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for fiscal years beginning after June 15, 2022. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs.) A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying the control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period of time in an exchange or an exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs.) An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. ***The Town of New Shoreham is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY23.***

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is effective for fiscal years beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments.) This Statement (1) defines an SBITA, (2) establishes that an SBITA results in a right-to-use subscription asset, and intangible asset, and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of SBITA, and (4) requires note disclosures regarding a SBITA. ***The Town of New Shoreham is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY23.***

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* is effective for fiscal years beginning after June 30, 2021. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform, (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. ***The Town of New Shoreham is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY23.***

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Financial Statements

June 30, 2022

### NOTE 1: Summary of Significant Accounting Policies (Continued)

#### F. Implementation of New Accounting Principles (continued)

GASB Statement No. 99, *Omnibus 2022*, the requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pleading governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements relate to leases, PPS, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. ***The Town of New Shoreham is in the process of evaluating this Statement.***

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No.62*, This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. ***The Town of New Shoreham is in the process of evaluating this Statement.***

GASB Statement No. 101, *Compensated Absences*, This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. ***The Town of New Shoreham is in the process of evaluating this Statement.***

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2022

**NOTE 2: Compliance and Accountability**

**Budget Requirements, Accounting and Reporting**

The General Fund and the School Department are subject to an annual operating budget. The annual operating budgets' appropriation amounts are supported by revenue estimates and can be amended by either a special financial Town meeting or at the next annual financial Town meeting.

Actual revenue and expenditures in the budgetary basis statements of revenues and expenditures for the General Fund and the School Department are presented on the budgetary basis which includes the net effect of not budgeting for certain other items. Thus, the actual revenues and expenditures differ from those in the governmental fund financial statements which are presented in accordance with accounting principles generally accepted in the United States.

**NOTE 3: Cash and cash equivalents**

At June 30, 2022, the carrying amount of the Town's deposits was \$16,541,782, and the carrying amount of the Block Island Land Trust was \$3,103,957, and the total bank balance was \$19,645,739.

The Town continues to maintain its collateralization and custodian agreement with the Washington Trust Company whereby certain funds are collateralized and held in the Town's name.

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The Town has not experienced any losses of funds in excess of federally insured limits held in any financial institutions. Management feels that the Town is not exposed to any significant credit risk related to cash.

Interest rate risk is the risk that changes in market interest rates will adversely affect that fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

At June 30, 2022, cash and cash equivalents of the Town consists of the following:

<i>Cash and Cash Equivalents</i>	
Funds with Financial Institutions	
Deposits	\$ 12,167,202
Money Market	7,464,063
Other funds	
Petty Cash	14,474
<b>Total cash and cash equivalents</b>	<b><u>\$ 19,645,739</u></b>

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2022

**NOTE 3: Cash and cash equivalents (Continued)**

At June 30, 2022, cash and cash equivalents of the Town are classified in the financial statements as follows:

<i>Statement of Net Position</i>	
Cash and cash equivalents	\$ 19,630,957
 <i>Fiduciary Funds</i>	
Cash and cash equivalents	<u>14,782</u>
<b>Total cash and cash equivalents</b>	<b><u><u>\$ 19,645,739</u></u></b>

**NOTE 4: Investments**

Investments at June 30, 2022 was \$390,047 of which \$362,970 were held in mutual funds and the remainder of \$27,075 in longer term certificates of deposits.

<i>Investments</i>	
Certificates of Deposits	\$ 27,075
Mutual funds	<u>362,970</u>
<b>Total Investments</b>	<b><u><u>\$ 390,045</u></u></b>

At June 30, 2022, investments of the Town are classified in the financial statements as follows:

<i>Statement of Net Position</i>	
Investments	\$ 27,075
 <i>Fiduciary Funds</i>	
Investments	<u>362,970</u>
<b>Total investments</b>	<b><u><u>\$ 390,045</u></u></b>

At June 30, 2022, investments of the Town are categorized as follows:

<u>Investments at Fair Value</u>	<u>June 30, 2022</u>	<u>Fair Value Measurements</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Certificates of deposit	\$ 27,075	\$ 27,075	\$ -	\$ -
Mutual funds	362,970	362,970	-	-
<b>Total investments measured at fair value</b>	<b><u><u>\$ 390,045</u></u></b>	<b><u><u>\$ 390,045</u></u></b>	<b><u><u>\$ -</u></u></b>	<b><u><u>\$ -</u></u></b>

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2022

**NOTE 4: Investments (Continued)**

In determining fair value, the Town uses various valuation approaches, as appropriate in the circumstances. GASB Statement No. 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is categorized into three levels based on the inputs as follows:

**Level 1:** Unadjusted quoted priced in active markets that are accessible at the measurement date for identical assets or liabilities.

**Level 2:** Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

**Level 3:** Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk)

**NOTE 5: Assets Held in Trust**

The Town's library is the beneficiary of the Island Free Library Endowment Fund held by the Rhode Island Foundation. Since the assets are administered at the discretion of the trustee, which has the unilateral power to redirect the use of the assets to another beneficiary, the assets are not included in the accompanying financial statements. The fair value of these assets at June 30, 2022 totaled approximately \$73,890.

**NOTE 6: Interfund Receivables/Payables**

Interfund receivables and payables at June 30, 2022 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
<b>Governmental Funds</b>		
General Fund	\$ 11,992,280	\$ 4,797,104
Broadband Fund	1,032,519	7,280,502
School Department Fund	1,203,782	113,401
Non-Major Governmental Fund	2,519,199	3,618,171
<b>Proprietary Funds</b>		
Sewer	68,323	389,757
Water	166,823	783,991
	<u>\$ 16,982,926</u>	<u>\$ 16,982,926</u>

The interfund receivables and payable arose from normal operations - principally payroll, school appropriations and financing.

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2022

**NOTE 6: Interfund Receivables/Payables (Continued)**

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Governmental Funds</b>		
General Fund	\$ 294,166	\$ 5,272,797
School Department	5,277,126	4,329
Special Revenue	-	161,835
Capital projects	-	132,331
	<u>                    </u>	<u>                    </u>
Total transfers	<u>\$ 5,571,292</u>	<u>\$ 5,571,292</u>

There were \$5,272,797 of funds which were transferred from the General fund to the School Department. This transfer of funds was made in accordance with the current year appropriation; therefore, it was anticipated prior to the beginning of the fiscal year by the Town and School.

**NOTE 7: Block Island Power Company Investment**

On November 7, 2016 the Town acquired 2/3 of the outstanding shares of the Block Island Power Company for \$1,800,000, financed with general obligation debt. Effective July 21, 2017 the RI State Legislature created the Block Island Utility District, a quasi-municipal corporation legally distinct from the State or the Town, to provide utility (including power) products to Block Island. In March 25, 2019 the assets of Block Island Power Company were sold to the Block Island Utility District, completing the transition to a non-profit, ratepayer-controlled utility district to own and operate the electric utility. Block Island Power Company (now Island Light and Power) is holding the proceeds of that assets sale and the Town is the sole shareholder of Island Light and Power. The Town's liquidated investment in Island Light and Power will ultimately be used toward repayment of the \$1,800,000 general obligation debt.

On August 8, 2020 the Town issued a bond of \$3,300,000 for 10 years. Of this amount \$1,800,000 was to pay the Short-Term BAN and the remainder was used to for funding of Thomas Property Capital Projects.

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**NOTE 8: Capital Assets**

	<b>Restated Balance July 1, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Disposal</b>	<b>Balance June 30, 2022</b>
<b><u>Governmental Activities:</u></b>					
Capital assets not being depreciated					
Land	\$ 19,313,847	\$ 3,630,481	\$ -	\$ -	\$ 22,944,328
Construction in progress	2,420,985	4,935,512	99,575	-	7,256,922
Subtotal	<u>21,734,832</u>	<u>8,565,993</u>	<u>99,575</u>	<u>-</u>	<u>30,201,250</u>
Capital assets being depreciated					
Infrastructure	4,109,575	-	-	-	4,109,575
Land improvements	7,550,220	1,064,768	-	-	8,614,988
Buildings and improvements	23,519,737	113,314	-	-	23,633,051
Machinery and equipment	2,974,893	415,350	-	-	3,390,243
Furniture and fixtures	931,312	-	-	-	931,312
Library books and textbooks	287,520	14,274	-	-	301,794
Motor vehicles and vessels	2,924,323	1,283,678	-	5,000	4,203,001
Total capital assets being depreciated:	<u>42,297,580</u>	<u>2,891,384</u>	<u>-</u>	<u>5,000</u>	<u>45,183,964</u>
Amortized Assets:					
Intangible right to use					
Leased vehicles	64,477	50,652	-	-	115,129
Total Leases being amortized	<u>64,477</u>	<u>50,652</u>	<u>-</u>	<u>-</u>	<u>115,129</u>
Less accumulated depreciation for:					
Infrastructure	1,249,098	163,350	-	-	1,412,448
Land improvements	2,752,531	406,075	-	-	3,158,606
Buildings and improvements	14,274,961	773,197	-	-	15,048,158
Machinery and equipment	1,767,315	197,133	-	-	1,964,448
Furniture and fixtures	710,429	16,956	-	-	727,385
Library books and textbooks	245,245	25,125	-	-	270,370
Motor vehicles and vessels	2,462,949	166,565	-	5,000	2,624,514
Total accumulated depreciation	<u>23,462,528</u>	<u>1,748,401</u>	<u>-</u>	<u>5,000</u>	<u>25,205,929</u>
Total capital assets being depreciated, net	<u>18,835,052</u>	<u>1,142,983</u>	<u>-</u>	<u>-</u>	<u>19,978,035</u>
Less accumulated amortization for:					
Leased vehicles	38,195	26,021	-	-	64,216
Total accumulated amortization	<u>38,195</u>	<u>26,021</u>	<u>-</u>	<u>-</u>	<u>64,216</u>
Governmental activities capital assets, net	<u>\$ 40,596,166</u>	<u>\$ 9,733,607</u>	<u>\$ 99,575</u>	<u>\$ -</u>	<u>\$ 50,230,198</u>

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**NOTE 8: Capital Assets (Continued)**

	<b>Balance July 1, 2021</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2022</b>
<b>Business-type activities:</b>				
Capital Assets not being depreciated				
Land	\$ 954,203	\$ -	\$ -	\$ 954,203
Construction in progress	1,594,433	560,749	2,063,448	91,734
Subtotal	<u>2,548,636</u>	<u>560,749</u>	<u>2,063,448</u>	<u>1,045,937</u>
Capital assets being depreciated:				
Buildings and improvements	5,190,201	-	-	5,190,201
Equipment	1,822,535	91,163	-	1,913,698
Underground piping	14,623,620	2,063,448	-	16,687,068
Wells / reserves osmosis / water supply	1,940,455	-	-	1,940,455
Total capital assets being depreciated	<u>23,576,811</u>	<u>2,154,611</u>	<u>-</u>	<u>25,731,422</u>
Amortized Assets:				
Intangible right to use				
Leased vehicles	41,387	-	4,019	37,368
Total Leases being amortized	<u>41,387</u>	<u>-</u>	<u>4,019</u>	<u>37,368</u>
Less accumulated depreciation for:				
Buildings and improvements	3,745,322	138,383	-	3,883,705
Equipment	1,578,928	58,774	-	1,637,702
Underground piping	8,984,426	323,748	-	9,308,174
Wells / reserves osmosis / water supply	653,634	45,498	-	699,132
Total accumulated depreciation	<u>14,962,310</u>	<u>566,403</u>	<u>-</u>	<u>15,528,713</u>
Less accumulated amortization for:				
Leased vehicles	3,898	6,630	-	10,528
Total accumulated amortization	<u>3,898</u>	<u>6,630</u>	<u>-</u>	<u>10,528</u>
Total capital assets being depreciated, net	<u>8,614,501</u>	<u>1,588,208</u>	<u>-</u>	<u>10,202,709</u>
Business-type activities capital asset, net	<u>\$ 11,200,626</u>	<u>\$ 2,142,327</u>	<u>\$ 2,067,467</u>	<u>\$ 11,275,486</u>

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Financial Statements

*June 30, 2022*

**NOTE 8: Capital Assets (Continued)**

Depreciation was charged to governmental functions as follows:

General government	\$	206,884
Public safety		280,938
Public works		581,163
Recreation, library, and other		270,004
Education		409,412
		409,412
	\$	1,748,401

Depreciation was charged to proprietary functions as follows:

Sewer Fund	\$	354,241
Water Fund		212,162
		212,162
	\$	566,403

**NOTE 9: Debt**

*Short-term Debt*

At June 30, 2022, Bond Anticipation Notes currently outstanding for governmental activities are as follows:

Purpose	Amount of Original Issue	Fiscal Year of Issue	Interest Rate	Fiscal Year of Maturity	Balance July 1, 2021	New Issues	Refundings	Retirements	Balance, June 30, 2022
<b>Governmental Activities</b>									
2021 BAN	\$ 8,400,000	2022	1.21%	2023	\$ -	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000
					\$ -	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2022

**NOTE 9: Debt (Continued)**

*General obligation bonds and notes:*

At summary of long-term obligations as of June 30, 2022 is as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Bonds and notes	\$ 20,927,000	\$ 5,150,897	\$ 26,077,897
Premium	75,578	-	75,578
Subtotal	21,002,578	5,150,897	26,153,475
Capital leases	50,914	26,840	77,754
Compensated absences	402,176	86,841	489,017
Total debt outstanding	21,455,668	5,264,578	26,720,246
Less portion due within one year	2,663,838	172,699	2,836,537
Total long term debt outstanding	\$ 18,791,830	\$ 5,091,879	\$ 23,883,709

Changes in long-term obligations during the year ended June 30, 2022 were as follows:

	Balance July 1, 2021	Additions	Retirements	Balance June 30, 2022	Due within one year
Governmental activities:					
Bonds payable:					
Bonds and notes	\$ 14,883,023	\$ 8,400,000	\$ 2,356,023	\$ 20,927,000	\$ 2,530,000
Premium on bonds	111,292	-	35,714	75,578	7,685
Total bonds payable	14,994,315	8,400,000	2,391,737	21,002,578	2,537,685
Capital leases	26,609	50,652	26,347	50,914	26,684
Net pension liability	5,230,111	1,926,958	-	7,157,069	-
Net other post-employment benefit liability	377,411	-	82,319	295,092	-
Compensated absences	416,320	-	14,144	402,176	99,469
Total long-term obligations	\$ 21,044,766	\$ 10,377,610	\$ 2,514,547	\$ 28,907,829	\$ 2,663,838
Business-type activities:					
Bonds and notes	\$ 3,920,301	\$ 1,343,000	\$ 112,404	\$ 5,150,897	\$ 138,790
Capital leases	33,470	-	6,630	\$ 26,840	1,737
Compensated absences	77,232	9,609	-	86,841	32,172
Total long-term obligations	\$ 4,031,003	\$ 1,352,609	\$ 119,034	\$ 5,264,578	\$ 172,699
Total government-wide obligations	\$ 25,075,769	\$ 11,730,219	\$ 2,633,581	\$ 34,172,407	\$ 2,836,537

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**NOTE 9: Debt (Continued)**

*General obligation bonds and notes:*

General obligation bonds currently outstanding for governmental activities are as follows:

Purpose	Amount of Original Issue	Fiscal Year of Issue	Interest Rate	Fiscal Year of Maturity	Balance July 1, 2021	New Issues	Refundings	Retirements	Balance, June 30, 2022
<b>Governmental Activities</b>									
Thomas Property	\$ 240,000	2012	5.25%	2022	\$ 18,025	\$ -	\$ -	\$ 18,025	\$ -
BILT 2012 New Money	2,364,000	2012	2.0-4.0%	2032	1,460,000	-	-	110,000 (a)	1,350,000
Hodge Property (Refunding)	599,940	2012	2.0-4.0%	2022	73,326	-	-	73,326	-
BILT Hodge Property 2012 (Refunding)	2,100,060	2012	2.0-4.0%	2022	256,674	-	-	256,674 (a)	-
Refunding bond - school (Refunding)	1,140,340	2012	2.0-4.0%	2022	132,197	-	-	132,197	-
Town library (Refunding)	744,120	2012	2.0-4.0%	2022	86,265	-	-	86,265	-
Town hall (Refunding)	444,540	2012	2.0-4.0%	2022	51,536	-	-	51,536	-
School Construction 2005 (2015 Refunding)	4,930,000	2015	2.25%	2025	1,985,000	-	-	475,000	1,510,000
School Construction 2006 (2015 Refunding)	645,000	2015	2.40%	2026	305,000	-	-	60,000	245,000
Town Hall Construction 2006 (2015 Refunding)	640,000	2015	2.40%	2026	300,000	-	-	65,000	235,000
2014 MRBRF (Weldon's Way)	255,000	2015	0.6-3.0%	2029	161,000	-	-	16,000	145,000
2016 MRBRF (Road & Bridge Old Town Road)	296,000	2016	0.8-2.7%	2035	241,000	-	-	14,000	227,000
2017 MRBRF (Road & Bridge Old Town Road)	449,000	2017	.72 - 2.22%	2037	392,000	-	-	20,000	372,000
2017 Series B Refunding (2009)	1,635,000	2017	2.69%	2029	1,260,000	-	-	160,000	1,100,000
2017 Series A (Beach House, Drs House)	1,400,000	2017	2.30%	2027	1,015,000	-	-	135,000	880,000
2018 RIIB/ West Beach	1,995,000	2018	1.21-2.53%	2033	1,765,000	-	-	118,000	1,647,000
2020 Refunding (2010 Refunding)	2,080,000	2020	1.406%	2030	1,897,000	-	-	204,000	1,693,000
2020 Series B (Thomas Property, BIPCO)	3,300,000	2020	1.78%	2030	2,987,000	-	-	309,000	2,678,000
2020 Series A (Broadband CAI)	550,000	2020	1.41%	2030	497,000	-	-	52,000	445,000
2021 Series 2022, General Obligation Bond	8,400,000 (b)	2022	2.14%	2031	-	8,400,000	-	-	8,400,000
<b>Total</b>	<b>\$ 37,648,000</b>				<b>\$ 14,883,023</b>	<b>\$ 8,400,000</b>	<b>\$ -</b>	<b>\$ 2,356,023</b>	<b>\$ 20,927,000</b>

(a) Includes amounts paid by BILT \$366,675

(b) Includes \$1,500,000 as shared debt with BILT

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

*June 30, 2022*

**NOTE 9: Debt (Continued)**

*General obligation bonds and notes:*

Bonds and notes currently outstanding for business-type activities are as follows:

Purpose	Amount of Original Issue	Fiscal Year of Issue	Interest Rate	Fiscal Year of Maturity	Balance July 1, 2021	New Issues	Refundings	Retirements	Balance, June 30, 2022
<b>Enterprise Funds</b>									
<i>Sewer Fund</i>									
Headworks	\$ 349,000	2007	4.13%	2047	\$ 283,176	\$ -	\$ -	\$ 6,283	\$ 276,893
2006 Sewer Improvements	192,500	2006	4.375%	2046	154,321	-	-	3,524	150,797
Land	472,175	2005	4.25%	2045	367,867	-	-	9,118	358,749
2012 Sewer Improvements	458,000	2012	2.75%	2052	401,318	-	-	7,990	393,328
2014 Sewer Improvements	219,000	2014	2.75%	2053	195,612	-	-	3,719	191,893
2015 Sewer Improvements	689,000	2015	2.75%	2055	626,812	-	-	11,385	615,427
2017 Sewer Improvements	674,000	2018	3.13%	2058	647,089	-	-	9,536	637,553
<b>Sewer Total</b>	<b>\$ 3,053,675</b>				<b>\$ 2,676,195</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,555</b>	<b>\$ 2,624,640</b>
<i>Water Fund</i>									
Discharge	\$ 442,000	2007	4.125%	2047	\$ 358,653	\$ -	\$ -	\$ 7,967	\$ 350,686
2011 Water Supply	450,000	2011	3.25%	2051	384,606	-	-	7,764	376,842
2005 Water Supply	179,445	2005	4.25%	2045	139,797	-	-	3,466	136,331
Clean Water GOB	614,287	2004	3.26%	2024	160,000	-	-	38,000	122,000
2015A Water Supply	123,000	2015	2.75%	2055	111,895	-	-	2,033	109,862
2015 Water Supply	98,000	2015	2.75%	2055	89,155	-	-	1,619	87,536
2022 Water Supply	1,343,000	2022	2.75%	2062	-	1,343,000	-	-	1,343,000
<b>Water Total</b>	<b>\$ 3,249,732</b>				<b>\$ 1,244,106</b>	<b>\$ 1,343,000</b>	<b>\$ -</b>	<b>\$ 60,849</b>	<b>\$ 2,526,257</b>
<b>Total</b>	<b>\$ 6,303,407</b>				<b>\$ 3,920,301</b>	<b>\$ 1,343,000</b>	<b>\$ -</b>	<b>\$ 112,404</b>	<b>\$ 5,150,897</b>

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Financial Statements

June 30, 2022

**NOTE 9: Debt (Continued)**

*General obligation bonds and notes (continued):*

At June 30, 2022, scheduled annual debt service requirements to maturity for general obligation bonds and notes are as follows:

***Governmental Activities:***

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,530,000	\$ 509,487	\$ 3,039,487
2024	2,561,000	364,018	2,925,018
2025	2,622,000	310,520	2,932,520
2026	2,138,000	261,767	2,399,767
2027	2,067,000	218,168	2,285,168
2028-2032	8,469,000	498,895	8,967,895
2033-2037	513,000	16,197	529,197
2038	27,000	367	27,367
	<u>\$ 20,927,000</u>	<u>\$ 2,179,419</u>	<u>\$ 23,106,419</u>

***Business-Type Activities:***

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 138,779	\$ 153,530	\$ 292,309
2024	143,813	148,888	292,701
2025	148,065	143,929	291,993
2026	109,356	139,768	249,124
2027	112,757	136,367	249,124
2028-2032	618,829	626,791	1,245,620
2033-2037	722,914	522,706	1,245,620
2038-2042	845,944	389,676	1,235,620
2043-2047	910,973	255,407	1,166,380
2048-2052	662,366	137,131	799,497
2053-2057	481,069	57,307	538,375
2058-2062	256,033	13,308	269,341
	<u>\$ 5,150,897</u>	<u>\$ 2,724,810</u>	<u>\$ 7,875,705</u>

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Financial Statements

*June 30, 2022*

**NOTE 9: Debt (Continued)**

*General obligation bonds and notes (continued):*

***Component unit:***

This component unit general obligation bond is being paid by the Town’s general government with funds being transferred from the component unit. This amount is already being accounted for within the governmental activities portion of this note.

Year ending June 30,	Principal	Interest	Total
2023	\$ 251,607	\$ 85,387	\$ 336,994
2024	258,393	78,577	336,969
2025	261,964	70,815	332,779
2026	270,536	62,977	333,513
2027	279,107	54,863	333,970
2028-2032	1,528,393	142,741	1,671,134
	\$ 2,850,000	\$ 495,359	\$ 3,345,359

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities, and are direct obligations and pledge the full faith and credit of the Town. In addition, general obligation bonds have been issued to refund previously outstanding general obligation bonds.

Rhode Island General Law caps the amount of each municipality's general obligation bonds that may be outstanding to 3% of its assessed property values. Exceptions apply to bonds financed from non-tax revenues and special exemptions are granted for other purposes as well. The assessed value of the Town's properties at December 31, 2020 was \$1,697,771,104 limiting the amount of non-exempted general obligation bonds outstanding to \$50,933,133 At June 30, 2022, general obligation bonds outstanding totaled \$32,810,741 including amounts which are exempt from the cap.

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### Notes to the Basic Financial Statements

June 30, 2022

#### **NOTE 9: Debt (Continued)**

##### *General obligation bonds and notes (continued):*

The component unit may request that the Town issue bonds for the purpose of financing its activities. On November 15, 2002, the Town issued general obligation bonds in the amount of \$4,500,000, of which \$3,500,000 was designated to finance the acquisition of open space and farmland by the component unit. These funds were used to purchase the 24.8 acre Hodge Property for an aggregate sale price of \$8,500,000. The component unit, the Town, and each of the other two unrelated third parties are identified as the buyers, and the agreement between the buyers and seller is executed as a single contract, according to an undivided interest in the property among the four parties. On June 6, 2012, the Town issued \$2,364,000 in general obligation bonds with an average interest rate of 3.0% to finance the acquisition of open space.

In March of 2022, the Town issued a general obligation bond in the amount of \$8,400,000. The Block Island Land Trust portion of the Town's general obligation bond is \$1,500,000. The terms and payments required on this bond generally coincide with the interest rates, principal installments and maturities of the related general obligation bond of the Town.

The balance of the note receivable from the component unit at June 30, 2022 was \$2,850,000.

##### *Compensated absences:*

Compensated absences typically have been liquidated in the General Fund, School Department governmental funds and Sewer and Water Funds.

#### **NOTE 10: Other Post-Employment Benefits**

##### *Other post-employment benefits:*

##### *Plan Description*

The School Department of New Shoreham Post-Employment benefit is a single employer defined benefit postretirement health insurance plan. The Town does not take part in this plan. The School Department provides health benefits to its public school professional staff with 20 years of accumulated service. A teacher at the Block Island School may continue to receive the same health care coverage as offered to the bargaining unit for five contract years, until Medicare takes over or age 65, whichever occurs first.

##### *Contributions*

The contribution requirements of plan members are established and may be amended through provisions of Rhode Island General Law, Town Ordinances and through collective bargaining. The plan has set up a trust in fiscal year 2016.

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**NOTE 10: Other Post-Employment Benefits (Continued)**

*Plan Membership*

At June 30, 2022, the plans membership consisted of the following:

<u>Description</u>	<u>Active Employees</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Total</u>
Participants	23	0	23

*Concentrations*

There were no concentrations noted as of June 30, 2022.

*Rate of return*

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was 5.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Net OPEB Liability of the School Department*

The components of the net OPEB liability of the School Department at June 30, 2022 were as follows:

<u>Description</u>	<u>Amounts</u>
Total OPEB Liability (TOL)	\$ 658,062
Fiduciary Net Position	362,970
Net OPEB Liability (NOL)	<u>295,092</u>
Funded Ratio (Fiduciary Net Position / NOL)	55.16%
Covered Payroll (active plan members)	\$2,560,929
NOL as a Percentage of Covered Payroll	11.52%

*Actuarial assumptions*

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

<u>Description</u>	<u>Assumption</u>
Single Equivalent Discount Rate	5.30%, net of OPEB plan investment expense, including inflation.
Inflation	2.60% as of June 30, 2022 and for future periods
Investment rate of return	5.30%, net of OPEB plan investment expense, including inflation.
Salary increases	2.60% annually as of June 30, 2022 and for future periods

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**NOTE 10. Other Post-Employment Benefits (Continued):**

*Investment Policy*

The Town's policy in regard to the allocation of invested assets is established and may be amended by the committee by a majority vote of its members. It is the policy of the Town to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Town's adopted asset allocation policy as of June 30, 2022:

<b>Asset Class</b>	<b>Target Allocation</b>
U.S. Equity	22.00%
Non-U.S. Equity	14.00%
U.S. Aggregate Bonds	23.00%
Intermediate-Term Credit	14.00%
Short-Term Credit	8.00%
Non-U.S. Bonds	15.00%
REITs	4.00%
Total	100.00%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

<b>Asset Class</b>	<b>Long-term Expected Real Rate of Return</b>
U.S. Equity	5.50%
Non-U.S. Equity	8.10%
U.S. Aggregate Bonds	3.60%
Intermediate-Term Credit	4.10%
Short-Term Credit	3.90%
Non-U.S. Bonds	3.30%
REITs	5.20%
I. Real Rate of Return	3.49%
II. Inflation Assumption	2.10%
III. Total Nominal Return [I. + II.]	5.59%

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

*June 30, 2022*

**NOTE 10. Other Post-Employment Benefits (Continued):**

*Discount rate*

The discount rate used to measure the total OPEB liability was 5.30 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

*Changes in Net OPEB Liability*

Total OPEB liability	\$	658,062
Plans fiduciary net position		362,970
Town's net OPEB liability	\$	295,092
Plan net position as a percentage of the total OPEB liability		55.16%

*OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB*

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	110,420	(462,868)
Changes of assumptions	6,474	(26,486)
Net difference between projected and actual earnings on OPEB plan investments	38,207	-
	\$ 155,101	\$ (489,354)
Net amount of deferred outflows and inflows		\$ (334,253)

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**NOTE 10. Other Post-Employment Benefits (Continued):**

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	
2023	\$ 11,060
2024	7,549
2025	(45,621)
2026	(39,580)
2027	(52,600)
Thereafter	<u>(215,061)</u>
	<u><u>(334,253)</u></u>

*Sensitivity of the net OPEB liability to changes in the discount rate*

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.3 percent) or 1-percentage-point higher (6.3 percent) than the current discount rate:

	<b>Impact of 1% Change in Discount Rate</b>		
	<b>1% Decrease (4.30%)</b>	<b>Current discount rate (5.30%)</b>	<b>1% Increase (6.30%)</b>
Total OPEB liability	\$ 331,845	\$ 295,092	\$ 260,519

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates*

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using healthcare cost 79 trend rates that are 1-percentage-point lower (7.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (9.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	<b>Impact of 1% Change in Healthcare Trend Rate</b>		
	<b>1% Decrease (6.50%) decreasing to 3.50%)</b>	<b>Current trend rate (7.50%) decreasing to 4.50%)</b>	<b>1% Increase (8.50%) decreasing to 5.50%)</b>
Total OPEB liability	\$ 241,914	\$ 295,092	\$ 354,206

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### Notes to the Basic Financial Statements

June 30, 2022

#### NOTE 11: ERS Pension Plan

##### General Information about the Pension Plan

**Plan description** - Certain employees of the Town of New Shoreham, RI (Town) participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

**Benefit provisions** - The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

The plan provides for survivor's benefits for service connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members.

Cost of living adjustments are provided but are currently suspended until the collective plans administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments is provided at four-year intervals commencing with the plan year ending June 30, 2016. The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

**Contributions** - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, the Town's teachers were required to contribute 3.75% of their annual covered salary except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the Town; the rates were 10.94% and 14.78% of annual covered payroll for the fiscal year ended June 30, 2022 for the state and the Town, respectively. The Town contributed \$378,505, \$344,201 and \$322,180 for the fiscal years ended June 30, 2022, 2021 and 2020, respectively, equal to 100% of the required contributions for each year.

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**NOTE 11: ERS Pension Plan (Continued)**

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

At June 30, 2022, the Town reported a liability of \$2,937,294 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town proportionate share of net pension liability		\$ 2,937,294
State's proportionate share of the net pension liability associated with the Town		<u>2,178,267</u>
Total net pension liability		<u>\$ 5,115,561</u>

The net pension liability was measured as of June 30, 2021 the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. The School Department proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2021 the School Department's proportion was 0.12481077%.

For the year ended June 30, 2022 the School Department recognized gross pension expense of \$260,089 and revenue of \$122,831 for support provided by the State. At June 30, 2022 the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,483	\$ 94,876
Changes of assumptions	123,001	64,594
Net difference between projected and actual earnings on pension plan investments	-	687,509
Changes in proportion and differences between System contributions and proportionate share contributions	279,822	74,873
Contributions subsequent to the measurement date	<u>378,505</u>	<u>-</u>
	<u>\$ 810,811</u>	<u>\$ 921,852</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (489,546)</u>

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**NOTE 11: ERS Pension Plan (Continued)**

Deferred outflows of resources totaling \$378,505 related to pensions resulting from the School Department's contributions in fiscal year 2022 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
	2023	(114,097)
	2024	(83,154)
	2025	(104,504)
	2026	(188,893)
	2027	(6,344)
Thereafter		7,446
		<u>\$ (489,546)</u>

**Actuarial Assumptions** - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% to 13.00%
Investment rate of return	7.00%

Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

The actuarial assumptions used in the June 30, 2020 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2020.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2021 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**NOTE 11: ERS Pension Plan (Continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<b>GROWTH</b>		
<b>Global Equity:</b>		
U.S. Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
<b>Sub-Total</b>	<b>40.00%</b>	
<b>Private Growth</b>		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunities Private Credit	1.50%	9.47%
<b>Sub-Total</b>	<b>15.00%</b>	
<b>INCOME</b>		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
<b>Sub-Total</b>	<b>12.00%</b>	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<b>Sub-Total</b>	<b>10.00%</b>	
<b>Inflation Protection</b>		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
<b>Sub-Total</b>	<b>8.00%</b>	
<b>Volatility Protection</b>		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<b>Sub-Total</b>	<b>15.00%</b>	

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Basic Financial Statements

June 30, 2022

### NOTE 11: ERS Pension Plan (Continued)

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

**Discount rate** - the discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the net pension liability (asset) to changes in the discount rate** - the following presents the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<b>1.00% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1.00% Increase (8.0%)</b>
\$ 3,709,578	\$ 2,937,294	\$ 1,951,640

**Pension plan fiduciary net position** - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

### NOTE 12: Defined Contribution Pension Plan

#### **Defined Contribution Plan Description:**

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans

The School recognized pension expense of \$5,518, for the fiscal year ended June 30, 2022.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <http://www.ersri.org>.

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### Notes to the Basic Financial Statements

June 30, 2022

#### **Note 13: Municipal Employees' Retirement System (MERS) Pension Plan**

##### **General Information about the Pension Plan**

**Plan Description** - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at [www.ersri.org](http://www.ersri.org).

**Benefits provided** – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

**Salary:** Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

**Service:** Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

**Final Average Compensation (FAC):** Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

##### *General Employees*

Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012 described above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### Notes to the Basic Financial Statements

June 30, 2022

#### **Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)**

Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

#### ***Police and Fire employees***

Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior Retirement Date before age 52 may retire at age 52.

Active members on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

A member who is within five years of reaching their retirement eligibility date, as described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## Notes to the Basic Financial Statements

June 30, 2022

### Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described in (a) and (b) above and one calculated based on a 2.25% multiplier for all years of service.

#### *Other benefit provisions*

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security Option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth year provision described in (i) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

#### **Employees covered by benefit terms.**

At the June 30, 2021 valuation date, the following employees were covered by the benefit terms:

	<b>General Employees</b>	<b>Police Plan</b>
Retirees and Beneficiaries	25	2
Inactive, Non-retired Members	55	3
Active Members	54	5
Total	134	10

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### Notes to the Basic Financial Statements

June 30, 2022

#### Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)

**Contributions** - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% (2% if the employer opted to provide a COLA) of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% (10% if employer opted to provide a COLA) of their salaries. The Town of New Shoreham (Town) contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The School Department contributed \$158,406 to their general employee plan in the year ended June 30, 2020 which was 6.11% of annual covered payroll and \$85,089 to their police department plan in the year ended June 30, 2020 which was 20.08% of their annual covered payroll.

**Net Pension Liability (Asset)** – The total pension liability was determined by actuarial valuations performed as of June 30, 2020 and rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Entry Age Normal - the individual Entry Age Actuarial Cost methodology is used
Amortization method	Level percentage of payroll, closed
Remaining amortization period	17 years
Asset valuation method	5-Year smoothed market
Investment rate of return	7.00%
Projected salary increases	3.0% to 14.00%
Inflation	2.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for 2017 valuation
Mortality	Male: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019) ; Female: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).
Cost of Living Adjustment	A 2.1% COLA is assumed for all MERS units with the COLA provision

The actuarial assumptions used in the June 30, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2020.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2021 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<b>GROWTH</b>		
<b>Global Equity:</b>		
U.S. equity	23.20%	5.83%
International Developed	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
<b>Sub-Total</b>	<b>40.00%</b>	
<b>Private Growth</b>		
Private Equity	11.25%	9.47%
Non-Core RE	2.25%	5.32%
Opportunities Private Credits	1.50%	9.47%
<b>Sub-Total</b>	<b>15.00%</b>	
<b>INCOME</b>		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
<b>Sub-Total</b>	<b>12.00%</b>	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<b>Sub-Total</b>	<b>10.00%</b>	
<b>Inflation Protection</b>		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.31%
<b>Sub-Total</b>	<b>8.00%</b>	
<b>Volatility Protection</b>		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<b>Sub-Total</b>	<b>15.00%</b>	

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)**

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

**Discount rate** – The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	General	Police
Pension liability:		
Balance as of June 30, 2020	\$ 8,583,239	\$ 2,447,611
Changes for the year:		
Service cost	209,052	79,632
Interest on total pension liability	590,094	171,362
Changes in assumptions	-	-
Difference between expected and actual experience of total pension liability	110,426	(109,256)
Benefit payments, including employee refunds	(515,702)	(78,805)
Balance as of June 30, 2021	8,977,109	2,510,544
Fiduciary net position:		
Balance as of June 30, 2020	7,853,857	1,816,381
Employer contributions	194,798	85,089
Employee contributions	60,141	39,539
Net investment income	2,230,750	472,392
Benefit payments, including employee refunds	(515,702)	(78,805)
Administrative expense	(8,500)	(1,800)
Other changes	498,539	(148,690)
Balance as of June 30, 2021	10,313,883	2,184,106
Net pension liability (asset)	\$ (1,336,774)	\$ 326,438

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)**

**Sensitivity of the Net Pension Liability to changes in the discount rate.** The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

*Employee*

<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
\$ (555,193)	\$ (1,336,774)	\$ (2,334,184)

*Police*

<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
\$ 539,259	\$ 326,438	\$ 54,817

**Pension plan fiduciary net position** - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**General Employee Plan**

For the year ended June 30, 2022 the employer recognized pension expense of (\$613,209). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in assumptions	\$ -	\$ 53,038
Difference between expected and actual experience	97,309	83,137
Net difference between projected and actual earnings on pension plan investments	-	1,186,837
Contributions subsequent to the measurement date	160,407	-
	\$ 257,716	\$ 1,323,012
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		\$ (1,225,703)

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)**

**General Employee Plan (Continued)**

\$160,407 reported as deferred outflows of resources related to pensions resulting from the Town's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2023	\$	(318,881)
2024		(312,558)
2025		(279,903)
2026		(314,361)
2027		-
Thereafter		-
	<u>\$</u>	<u>(1,225,703)</u>

**Police Department Plan**

For the year ended June 30, 2021 the employer recognized pension expense of \$161,243. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in assumptions	\$ 31,822	\$ 429
Difference between expected and actual experience	30,760	129,418
Net difference between projected and actual earnings on pension plan investments	-	248,008
Contributions subsequent to the measurement date	87,994	-
	<u>\$ 150,576</u>	<u>\$ 377,855</u>
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		<u>\$ (315,273)</u>

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

*June 30, 2022*

**Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)**

**Police Department Plan (Continued)**

Deferred outflows of resources of \$87,994 related to pensions resulting from the Town's contributions in fiscal year 2021 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2023	\$	(67,462)
2024		(61,820)
2025		(72,511)
2026		(89,595)
2027		(19,959)
Thereafter		(3,926)
	<u>\$</u>	<u>(315,273)</u>

**Aggregate Pension Amounts Reported in the Financial Statements**

As required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions and amendment of GASB Statement No. 34 the table below presents the aggregate amount of pension expense, pension liabilities (assets), and deferred inflows and outflows for the defined benefit plans of the Town of New Shoreham, Rhode Island.

<i>Town</i>	MERS General	MERS Police	ERS	Total
Deferred Outflows of Resources - Pension	\$ 257,716	\$ 150,576	\$ 810,811	\$ 1,219,103
Deferred Inflows of Resources - Pension	(1,323,012)	(377,855)	(921,852)	(2,622,719)
Net Pension Liability (Asset)	(1,336,774)	326,438	2,937,294	1,926,958
Pension Expense	<u>(613,209)</u>	<u>161,243</u>	<u>116,590</u>	<u>(335,376)</u>
Total	<u><u>\$(3,015,279)</u></u>	<u><u>\$ 260,402</u></u>	<u><u>\$2,942,843</u></u>	<u><u>\$ 187,966</u></u>

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**Note 14: Defined Contribution Plan Description:**

Certain employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute 1% to 1.5% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <http://www.ersri.org>.

**NOTE 15: Commitments and Contingencies**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

**NOTE 16: Fund Balance Classification**

	Major Funds			Non-Major Funds			Total
	General Fund	Capital Project Broadband Fund	School Department	Special Revenue	Capital Projects	Permanent Trust	
<b>Fund Balances:</b>							
<b>Nonspendable:</b>							
Corpus of endowment funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,569	\$ 259,569
Investment in BIPCO	1,006,793	-	-	-	-	-	1,006,793
Land Trust note receivable	2,850,000	-	-	-	-	-	2,850,000
<b>Restricted for:</b>							
Capital outlay by bond covenant	16,391	-	-	-	-	-	16,391
Road Repairs by Bond Allocation	2,000,000	-	-	-	-	-	2,000,000
North Light purposes	15,617	-	-	-	-	-	15,617
Opioid Settlement	13,718	-	-	-	-	-	13,718
Educational purposes	-	-	53,245	-	-	-	53,245
Deer Management	254	-	-	-	-	-	254
Historic records trust	22,008	-	-	-	-	-	22,008
Technology fund	84,767	-	-	-	-	-	84,767
Recreational, library, and other purposes	-	-	-	1,251,740	-	-	1,251,740
<b>Committed to:</b>							
Educational purposes	-	-	523,882	-	-	-	523,882
Capital projects	52,000	-	-	-	1,197,658	-	1,249,658
BIUD Note	540,000	-	-	-	-	-	540,000
<b>Assigned to:</b>							
Other	-	-	-	-	-	-	-
Reserve for encumbrances	866,960	-	-	-	-	-	866,960
<b>Unassigned</b>	<b>2,192,228</b>	<b>(6,491,000)</b>	<b>(2)</b>	<b>(106)</b>	<b>(1,761,640)</b>	<b>-</b>	<b>(6,060,520)</b>
	<u>\$ 9,660,736</u>	<u>\$ (6,491,000)</u>	<u>\$ 577,125</u>	<u>\$ 1,251,634</u>	<u>\$ (563,982)</u>	<u>\$ 259,569</u>	<u>\$ 4,694,082</u>

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

Notes to the Basic Financial Statements

June 30, 2022

**NOTE 17: Fund Deficits**

The following funds had deficit fund balances (negative unassigned fund balances) as of June 30, 2022:

<b>Special Revenue</b>	
BICEP	\$ (106)
<b>Capital Projects</b>	
Broadband Construction	(6,491,000)
West Beach Construction	(22,234)
Sidewalk Construction	(89,029)
Roads Construction	<u>(1,650,377)</u>
<b>School Special Revenue</b>	
RTTT	<u>\$ 2</u>
 Total fund deficits	 <u><u>\$ (8,252,744)</u></u>

**NOTE 18: Restatement**

The following was the restatement that occurred at the Governmental Funds and Governmental Activities level:

	<u>Governmental Activities</u>	<u>Fixed Assets Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Water Fund Proprietary Fund</u>
Beginning balance, July 1, 2021	\$ 27,186,352	\$ 40,569,884	\$ 11,497,684	\$ 5,361,956
Due to USDA loan grant being recorded as revenue in the prior year	-	-	(1,343,000)	(1,343,000)
To adjust beginning inflows and outflows related to OPEB	(222,338)	-	-	-
GASB Statement No. 87 Implementation	<u>26,282</u>	<u>26,282</u>	<u>-</u>	<u>-</u>
Beginning balance, July 1, 2021	<u>\$ 26,990,296</u>	<u>\$ 40,596,166</u>	<u>\$ 10,154,684</u>	<u>\$ 4,018,956</u>

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### Notes to the Basic Financial Statements

*June 30, 2022*

#### **NOTE 19: Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a nonprofit, public entity risk pool Rhode Island Interlocal Risk Management Trust, Inc. (the Trust) which provides coverage for property/liability and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts.

The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Under the participation agreement, the Town is insured for a maximum of \$3,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage during the year ended June 30, 2020.

The Town also participates in the Health Pool (the Pool), a non-profit, public entity risk pool which provides programs of liability, workers' compensation, and health insurance coverage to Rhode Island cities, towns and other governmental units. Upon joining the Pool, members execute a member agreement. That document, pursuant to which the Pool was established and operates, outlines the rights and responsibilities of both the members and the Pool. Members of the Pool participate in the Pool's health insurance plan administered through the Trust and Blue Cross Blue Shield of Rhode Island (BCBSRI). The Pool sets annual contribution rates for the subscribers of each member for each program offered. The Pool agreement requires that those contribution rates be set at a level sufficient, in the aggregate, to satisfy the funding requirements of the Pool. The contributions of each member are deposited into the pool and are used to pay for claims, reinsurance and all administrative expenses.

#### **NOTE 20: Litigation**

The Town is a party to various claims, legal actions, and complaints. It is not presently possible to determine the outcome of these cases; as a result, no liability has been recorded in the financial statements. In the opinion of the Town's management and Town Solicitor, these matters are not anticipated to have a material financial impact on the Town.

#### **NOTE 21: Subsequent Events**

Management has evaluated subsequent events through December 31, 2022, the date the financial statements were available to be issued. There were not material disclosures deemed necessary.

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*Required Supplementary Information*

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**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*  
**Budgetary Comparison Schedule - General Fund**

*For the Year Ended June 30, 2022*

	Original Budget			Actual	Encumbrances Carried To FY 23	Variance Favorable (Unfavorable)
	Encumbrances Carried from FY 21	Budget As Adopted	Total Available			
<b>Revenues</b>						
Taxes	\$ -	\$ 11,492,136	\$ 11,492,136	\$ 11,377,318	\$ -	\$ (114,818)
Intergovernmental	-	1,322,736	1,322,736	1,806,660	-	483,924
Licenses, permits, and fees	-	533,350	533,350	657,382	-	124,032
Interest and investment	-	6,000	6,000	6,863	-	863
Other revenues	-	2,266,631	2,266,631	2,017,725	-	(248,906)
<b>Total revenues</b>	-	15,620,853	15,620,853	15,865,948	-	245,095
<b>Expenditures</b>						
General government	-	1,578,391	1,578,391	1,475,614	-	102,777
Finance administration	-	552,555	552,555	461,140	110,000	(18,585)
Fire, rescue, and emergency services	-	349,082	349,082	352,913	-	(3,831)
Police	-	1,153,698	1,153,698	1,211,936	-	(58,238)
Highways and maintenance	-	992,322	992,322	1,054,045	-	(61,723)
Harbors	-	627,410	627,410	649,014	-	(21,604)
Building official	-	266,403	266,403	257,783	-	8,620
Recreation	-	440,539	440,539	384,721	-	55,818
Library	-	545,907	545,907	524,056	-	21,851
GIS / Technology	-	424,685	424,685	252,036	-	172,649
Boards and commissions	-	210,189	210,189	198,548	-	11,641
Community support	-	764,494	764,494	735,955	-	28,539
Grant support	-	-	-	39,567	-	(39,567)
Capital outlay	497,122	680,000	1,177,122	736,902	756,960	(316,740)
Debt service	-	2,701,658	2,701,658	2,739,704	-	(38,046)
<b>Total expenditures</b>	497,122	11,287,333	11,784,455	11,073,934	866,960	(156,439)
Excess (deficiency) of revenues over expenditures	(497,122)	4,333,520	3,836,398	4,792,014	(866,960)	88,656
<b>Other financing sources and (uses):</b>						
Transfer from other funds	-	939,277	939,277	265,206	-	(674,071)
Transfer to other funds	-	(5,272,797)	(5,272,797)	(5,272,797)	-	-
	-	(4,333,520)	(4,333,520)	(5,007,591)	-	(674,071)
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ (497,122)	\$ -	\$ (497,122)	\$ (215,577)	\$ (866,960)	\$ (585,415)
Adjustment of budgetary basis to U.S. GAAP				3,606,162		
Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis				3,390,585		
Fund balance, July 1, 2021				6,270,151		
Fund balance, June 30, 2022				\$ 9,660,736		

*See notes to the required supplementary information  
See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Notes to Required Supplementary Information*  
Budgetary Comparison Schedule – General Fund

*For the Year Ended June 30, 2022*

**Budgetary - GAAP Reporting Reconciliation - General Fund**

	<u><b>General Fund</b></u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ (215,577)
Unbudgeted bond proceeds & OFS	8,400,000
Unbudgeted lease proceeds & OFS	50,652
Unbudgeted use of bond proceeds - purchase of emergency vehicle	(1,283,678)
Unbudgeted use of bond proceeds - overlook acquisition	(3,630,481)
Unbudgeted distribution from ILP	540,000
Unbudgeted distribution from ILP	(540,000)
Unbudgeted Misc. revenue	<u>69,669</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 3,390,585</u>

In accordance with the Town's Charter, the Town has formally established budgetary accounting control for its General Fund. The General Fund is subject to annual operating budget legally adopted by the Town Council. The annual operating budget's appropriation amounts are supported by revenue estimates and take into account the elimination of an accumulated deficits and the reappropriation of accumulated surpluses to the extent necessary. The General Fund operating budget is in conformity with the legally enacted budgetary basis, which is not in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

*See notes to the required supplementary information*  
*See independent auditors' report*

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### *Notes to Required Supplementary Information* Budgetary Comparison Schedule – General Fund

*For the Year Ended June 30, 2022*

#### **Budgetary - GAAP Reporting Reconciliation - General Fund (Continued)**

The accompanying Statement of Revenues, Expenditures Budget to Actual (Non-GAAP Budgetary Basis) – General Funds is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the Generally Accepted Accounting Principles (“GAAP”) basis are normally that:

- a) Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis).
- b) Expenditures are recorded when paid in cash (budgetary basis) as opposed to when liabilities are incurred (GAAP basis).
- c) Encumbrances are reported as a use of fund (budgetary basis) as opposed to a reservation of fund balance (GAAP basis).

For the year ended June 30, 2022 there were no significant timing perspectives or differences in the excess (deficiency) of revenues and other sources of financial resources and expenditures and other uses, therefore, there were no differences when presenting the budgetary and GAAP basis presentation.

Appropriations in addition to those contained in the annual operating budget require Town Council approval. Amendments to the operating budget that do not result in additional appropriations may be made within departments through transfers. Transfers made within and outside the departmental level require Town Council approval. The level at which the General Fund budgeted expenditures may not legally exceed appropriations is at the departmental level.

*See notes to the required supplementary information  
See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*  
 Budgetary Comparison Schedule – School Unrestricted

*For the Year Ended June 30, 2022*

	<b>Original Budget</b>		<b>Total Available</b>	<b>Actual</b>	<b>Encumbrances Carried to FY 23</b>	<b>Variance Favorable (Unfavorable)</b>
	<b>Encumbrances Carried from FY 21</b>	<b>Budget As Adopted</b>				
<b>Revenues</b>						
Federal and State governments	\$ -	\$ 241,296	\$ 241,296	\$ 257,659	\$ -	\$ 16,363
Other revenues	-	-	-	-	-	-
Total revenues	-	241,296	241,296	257,659	-	16,363
<b>Expenditures</b>						
Salaries	-	3,450,469	3,450,469	3,383,504	-	66,965
Employee benefits	-	1,315,995	1,315,995	1,264,635	-	51,360
Purchased services	-	476,170	476,170	583,619	-	(107,449)
Supplies and materials	-	199,009	199,009	206,728	-	(7,719)
Capital outlay	-	44,450	44,450	19,239	-	25,211
Total expenditures	-	5,486,093	5,486,093	5,457,725	-	28,368
Excess (deficiencies) of revenues over expenditures	-	(5,244,797)	(5,244,797)	(5,200,066)	-	44,731
<b>Other financing sources (uses)</b>						
Transfer from Town of New Shoreham	-	5,272,797	5,272,797	5,272,797	-	-
Transfers out	-	(28,000)	(28,000)	(4,329)	-	23,671
Re-appropriated fund balance	-	-	-	-	-	-
Total other financing sources (uses)	-	5,244,797	5,244,797	5,268,468	-	23,671
<b>Excess (deficiencies) of revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>68,402</b>	<b>\$ -</b>	<b>\$ 68,402</b>
Adjustment of budgetary basis to U.S. GAAP basis				-		
Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis				68,402		
Fund balance, July 1, 2021				455,480		
Fund balance, June 30, 2022				<u>\$ 523,882</u>		

*See notes to the required supplementary information  
 See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Notes to Required Supplementary Information*  
Budgetary Comparison Schedule – School Unrestricted

*For the Year Ended June 30, 2022*

**Budgetary – GAAP reporting Reconciliation – Unrestricted School Fund**

The accompanying Statement of Revenues, Expenditures Budget to Actual (Non-GAAP Budgetary Basis) – School Unrestricted is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the Generally Accepted Accounting Principles (“GAAP”) basis are that:

- a) Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis);
- b) Expenditures are recorded when paid in cash (budgetary basis) as opposed to when liabilities are incurred (GAAP basis);
- c) Encumbrances are reported as a use of fund (budgetary basis) as opposed to a reservation of fund balance (GAAP basis).

Therefore, timing perspective, and entity differences in the excess (deficiency) of revenues and other sources of financial resources and expenditures and other uses for the year ended June 30, 2022 are as follows:

	<b>School Unrestricted</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 68,402
State contribution to teachers' pension plan revenue on behalf	338,133
State contribution to teacher's pension plan expense on behalf	<u>(338,133)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 68,402</u>

*See notes to the required supplementary information*  
*See independent auditors' report*

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### *Required Supplementary Information* Notes to Required Supplementary Information

#### Budgetary Comparison Schedule – General Fund

*For the Year Ended June 30, 2022*

#### **Budget preparation and budgetary basis of accounting:**

In accordance with the Town Charter, the Town Manager must present to the Council, not later than the third Monday in March of each year, recommended annual operating and capital budgets for the operations of each department, agency, board and commission of town government whose activities are to be supported in whole or in part by Town funds during the next fiscal year. The School Committee makes such submissions of estimates no later than the first Monday in March. The Town Council schedules at least one public hearing on the budget recommendations it receives from the Town Manager, which takes place prior to final Council approval of the Town budgets for submission to the Financial Town Meeting, with whatever changes the Council deems appropriate to be voted no later than the third Monday in April. The electors of the Town assemble annually at a Financial Town Meeting on the first Monday in May for the purpose of approving the budget. The recommended budget must include an appropriation to fund school expenditures in excess of their anticipated revenues as requested by the Superintendent and approved by the School Committee. Estimates of sums expected to become available from federal and state grants for the support of the public schools are to be included in the total requested for school expenditures. The Town Council appropriates these funds for expenditure by the School Committee, and appropriates such additional funds from local tax revenues as may be required to meet the total school budget which the Town Council approves. The School Committee does not have the authority to obligate the Town financially beyond the total budgetary amount voted by the Town Council. The Town Council can change only the total amount of the School Committee's recommended budget. The Town Council can authorize, as required, capital expenditures, grants, and expenditures over a certain dollar amount, as set by ordinance, after the Financial Town Meeting, and oversee implementation of budget proposals.

The General Fund and the School Department annual operating budgets are in conformity with the legally enacted budgetary basis. The legally enacted budgetary basis differs from accounting principles generally accepted in the United States of America (U.S. GAAP) in several regards. Budgets are adopted on the modified accrual basis with certain exceptions. Budgetary revenues may include re-appropriations from fund equity previously recognized under U.S. GAAP. Budgetary expenditures and expenses are recognized when legally binding orders (encumbrances) are placed. Enterprise fund budgetary expenses include expenses for fixed asset additions, debt service issuance costs and debt service principal payments not recognized under U.S. GAAP but exclude depreciation and amortization, U.S. GAAP basis expenses.

#### **Budget compliance:**

Costs of operations for all departments, offices and agencies established within the Town Charter must be appropriated through an annual budget ordinance. These departments are presented within the General Fund and the School Department Municipal budgetary control is legally enforced at the department level. Appropriation transfers between departments require approval by three of the five-member Town Council. The Town Council may authorize other over-expenditures of certain appropriations, which were due to circumstances that could not be anticipated in budget preparations provided that the over-expenditures do not exceed the total budget amount for the fiscal year.

The Town Council is authorized to expend grant funds applied for and awarded to the Town, and, to the extent proceeds from grants exceed the amount budgeted by the Town, the Town Treasurer is authorized with the advice and consent of the Town Council to expend these excess proceeds for the purposes designated in the grant.

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*  
**Schedule of Changes to Net Pension Liability- Employees' Retirement System**

*Last Ten Years\**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	0.12481077%	0.12111085%	0.12119414%	0.11872757%	0.10739696%	0.11439191%	0.11463754%	0.12110929%
Employer's proportionate share of the net pension liability	\$ 2,937,294	\$ 3,869,499	\$ 3,867,025	\$ 3,772,270	\$ 3,387,393	\$ 3,412,971	\$ 3,155,975	\$ 2,947,801
State's proportionate share of the net pension liability associated with the school district	<u>2,178,267</u>	<u>2,875,132</u>	<u>2,896,802</u>	<u>2,813,842</u>	<u>2,560,055</u>	<u>2,337,384</u>	<u>2,156,063</u>	<u>4,969,244</u>
Total	<u>\$ 5,115,561</u>	<u>\$ 6,744,631</u>	<u>\$ 6,763,827</u>	<u>\$ 6,586,112</u>	<u>\$ 5,947,448</u>	<u>\$ 5,750,355</u>	<u>\$ 5,312,038</u>	<u>\$ 7,917,045</u>
Employer's covered payroll	\$ 2,560,929	\$ 2,376,727	\$ 2,281,923	\$ 2,249,388	\$ 2,138,527	\$ 2,013,831	\$ 1,972,734	\$ 1,953,073
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	114.70%	162.81%	169.46%	167.70%	158.40%	169.48%	159.98%	150.93%
Plan fiduciary net position as a percentage of the total pension liability	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

**Notes:**

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*
- 3.) *Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

*See notes to the required supplementary information*  
*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*  
 Schedule of Contributions- Employees' Retirement System

*Last Ten Years\**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 378,505	\$ 344,201	\$ 322,180	\$ 302,543	\$ 283,141	\$ 251,125	\$ 258,842	\$ 250,456
Contributions in relation to the actuarially determined contribution	<u>378,505</u>	<u>344,201</u>	<u>322,180</u>	<u>302,543</u>	<u>283,141</u>	<u>251,125</u>	<u>258,842</u>	<u>250,456</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,560,929	\$ 2,376,727	\$ 2,281,923	\$ 2,249,388	\$ 2,138,527	\$ 2,013,831	\$ 1,972,734	\$ 1,953,073
Contributions as a percentage of covered payroll	14.78%	14.48%	14.12%	13.45%	13.24%	12.47%	13.12%	12.82%

**Notes:**

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*
- 3.) *Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

*See notes to the required supplementary information*  
*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*  
 Schedule of Changes in Net Pension Liability and Related Ratios -  
 Municipal Employees' Retirement System – General Employees

*Last Ten Years\**

Measurement period	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
<b>Total pension liability</b>								
1. Service Cost	\$ 209,052	\$ 211,403	\$ 204,123	\$ 207,410	\$ 187,499	\$ 198,515	\$ 194,848	\$ 195,536
2. Interest on the Total Pension Liability	590,094	586,620	564,961	534,919	519,815	505,381	480,925	448,421
3. Changes of benefit terms	-	-	-	-	-	-	108,714	-
4. Difference between expected and actual experience of the Total Pension Liability	110,426	(147,788)	(12,231)	93,112	24,167	(164,932)	(171,167)	-
5. Changes of assumptions	-	(98,800)	-	-	352,282	-	-	48,761
6. Benefit payments, including refunds of employee contributions	(515,702)	(485,564)	(416,589)	(392,676)	(373,082)	(308,932)	(269,199)	(248,780)
7. Net change in total pension liability	393,870	65,871	340,264	442,765	710,681	230,032	344,121	443,938
8. Total pension liability – beginning	8,583,239	8,517,368	8,177,104	7,734,339	7,023,658	6,793,626	6,449,505	6,005,567
9. Total pension liability – ending (a)	<u>\$ 8,977,109</u>	<u>\$ 8,583,239</u>	<u>\$ 8,517,368</u>	<u>\$ 8,177,104</u>	<u>\$ 7,734,339</u>	<u>\$ 7,023,658</u>	<u>\$ 6,793,626</u>	<u>\$ 6,449,505</u>
<b>Plan fiduciary net position</b>								
1. Contributions – employer	\$ 194,798	\$ 188,836	\$ 158,708	\$ 163,153	\$ 176,642	\$ 177,648	\$ 170,916	\$ 168,351
2. Contributions – employee	60,141	60,859	62,942	62,060	58,797	59,083	42,359	41,678
3. Net investment income	2,230,750	286,728	483,638	563,546	758,523	(1,278)	154,895	867,957
4. Benefit payments, including refunds of employee contributions	(515,702)	(485,564)	(416,589)	(392,676)	(373,082)	(308,932)	(269,199)	(248,780)
5. Pension Plan Administrative Expense	(8,500)	(7,900)	(7,558)	(7,502)	(7,166)	(7,085)	(6,213)	(5,435)
6. Other	498,539	-	(1,457)	-	(18)	1	-	(8,676)
7. Net change in plan fiduciary net position	2,460,026	42,959	279,684	388,581	613,696	(80,563)	92,758	815,095
8. Plan fiduciary net position – beginning	7,853,857	7,810,898	7,531,214	7,142,633	6,528,937	6,609,500	6,516,742	5,701,647
9. Plan fiduciary net position – ending (b)	<u>\$ 10,313,883</u>	<u>\$ 7,853,857</u>	<u>\$ 7,810,898</u>	<u>\$ 7,531,214</u>	<u>\$ 7,142,633</u>	<u>\$ 6,528,937</u>	<u>\$ 6,609,500</u>	<u>\$ 6,516,742</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ (1,336,774)</u>	<u>\$ 729,382</u>	<u>\$ 706,470</u>	<u>\$ 645,890</u>	<u>\$ 591,706</u>	<u>\$ 494,721</u>	<u>\$ 184,126</u>	<u>\$ (67,237)</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	114.89%	91.50%	91.71%	92.10%	92.96%	92.96%	97.29%	101.04%
<b>Covered payroll</b>	\$ 2,683,592	\$ 2,593,900	\$ 2,441,660	\$ 2,392,271	\$ 2,261,744	\$ 2,213,104	\$ 2,117,910	\$ 2,066,975
<b>Net pension liability as a percentage of covered payroll</b>	-49.81%	28.12%	28.93%	27.00%	26.16%	22.35%	8.69%	-3.25%

*\*Schedule is intended to show information or ten years- additional years will be displayed as they become available*

*See notes to the required supplementary information  
 See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*  
 Schedule of Contributions Employees' Retirement System  
 Municipal Employees' Retirement System (MERS) – General Employees

*Last Ten Years\**

	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 160,407	\$ 194,798	\$ 188,836	\$ 158,708	\$ 163,153	\$ 176,642	\$ 177,648	\$ 170,916
Contributions in relation to the actuarially determined contribution	160,407	194,798	188,836	158,708	163,153	176,642	177,648	170,916
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,282,166	\$ 2,683,592	\$ 2,441,660	\$ 2,392,271	\$ 2,363,522	\$ 2,261,744	\$ 2,213,104	\$ 2,117,910
Contributions as a percentage of covered-employee payroll	7.03%	7.26%	7.73%	6.63%	6.90%	7.81%	8.03%	8.07%

**Notes:**

- 1.) The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.
3. Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

*See notes to the required supplementary information  
 See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*  
 Schedule of Changes to Net Pension Liability- Employees' Retirement System  
 Municipal Employees' Retirement System (MERS) – Police Department Plan

*Last Ten Years\**

Measurement Date	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
<b>Total pension liability</b>								
1. Service Cost	\$ 79,632	\$ 88,333	\$ 84,050	\$ 80,284	\$ 68,447	\$ 55,494	\$ 53,176	\$ 46,199
2. Interest on the Total Pension Liability	171,362	161,766	150,926	136,509	130,826	125,264	113,763	108,488
3. Changes of benefit terms	-	-	-	-	-	-	37,126	-
4. Difference between expected and actual experience of the Total Pension Liability	(109,256)	(33,941)	(3,460)	66,028	(28,339)	(33,733)	26,464	-
5. Changes of assumptions	-	4,081	-	-	107,933	-	-	(10,469)
6. Benefit payments, including refunds of employee contributions	(78,805)	(78,805)	(78,805)	(78,671)	(79,345)	(79,345)	(77,346)	(77,381)
7. Net change in total pension liability	62,933	141,434	152,711	204,150	199,522	67,680	153,183	66,837
8. Total pension liability – beginning	2,447,611	2,306,177	2,153,466	1,949,316	1,749,794	1,682,114	1,528,931	1,462,094
9. Total pension liability – ending (a)	<u>\$ 2,510,544</u>	<u>\$ 2,447,611</u>	<u>\$ 2,306,177</u>	<u>\$ 2,153,466</u>	<u>\$ 1,949,316</u>	<u>\$ 1,749,794</u>	<u>\$ 1,682,114</u>	<u>\$ 1,528,931</u>
<b>Plan fiduciary net position</b>								
1. Contributions – employer	\$ 85,089	\$ 90,197	\$ 81,086	\$ 76,772	\$ 87,723	\$ 70,840	\$ 73,342	\$ 52,664
2. Contributions – employee	39,539	43,329	44,237	42,350	39,445	29,982	24,078	22,875
3. Net investment income	472,392	66,312	105,079	115,731	147,774	(405)	26,912	146,745
4. Benefit payments, including refunds of employee contributions	(78,805)	(78,805)	(78,805)	(78,671)	(79,345)	(79,345)	(77,346)	(77,381)
5. Pension Plan Administrative Expense	(1,800)	(1,827)	(1,642)	(1,541)	(1,396)	(1,091)	(1,080)	(919)
6. Other	(148,690)	111	479	478	28,974	-	670	8,781
7. Net change in plan fiduciary net position	367,725	119,317	150,434	155,119	223,175	19,981	46,576	152,765
8. Plan fiduciary net position – beginning	1,816,381	1,697,064	1,546,630	1,391,511	1,168,336	1,148,355	1,101,779	949,014
9. Plan fiduciary net position – ending (b)	<u>\$ 2,184,106</u>	<u>\$ 1,816,381</u>	<u>\$ 1,697,064</u>	<u>\$ 1,546,630</u>	<u>\$ 1,391,511</u>	<u>\$ 1,168,336</u>	<u>\$ 1,148,355</u>	<u>\$ 1,101,779</u>
<b>Net pension liability - ending (a) - (b)</b>	\$ 326,438	\$ 631,230	\$ 609,113	\$ 606,836	\$ 557,805	\$ 581,458	\$ 533,759	\$ 427,152
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	87.00%	74.21%	73.59%	71.82%	71.38%	66.77%	68.27%	72.06%
<b>Covered payroll</b>	\$ 415,426	\$ 423,660	\$ 400,621	\$ 381,759	\$ 362,343	\$ 302,090	\$ 290,580	\$ 253,839
<b>Net pension liability as a percentage of covered payroll</b>	82.56%	148.99%	152.04%	158.96%	153.94%	192.48%	183.69%	168.28%

*\*Schedule is intended to show information or ten years- additional years will be displayed as they become available*

*See notes to the required supplementary information  
 See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*  
 Schedule of Contributions - Municipal Employees' Retirement System (MERS) Police  
 Municipal Employees' Retirement System (MERS) – Police Department Plan

*Last Ten Years\**

	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 87,994	\$ 85,089	\$ 90,197	\$ 81,086	\$ 76,772	\$ 87,723	\$ 70,840	\$ 73,342
Contributions in relation to the actuarially determined contribution	87,994	85,089	90,197	81,086	76,772	87,723	70,840	73,342
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
Covered payroll	\$ 415,426	\$ 395,395	\$ 400,621	\$ 381,759	\$ 375,025	\$ 362,343	\$ 302,090	\$ 290,580
Contributions as a percentage of covered payroll	21.18%	21.52%	22.51%	21.24%	20.47%	24.21%	23.45%	25.24%

**Notes:**

- 1.) *The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*
- 3.) *Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.*

*See notes to the required supplementary information  
 See independent auditors' report*

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### *Required Supplementary Information* Notes to Municipal Employees' Retirement System

#### *Last Ten Years\**

The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.

The schedules are intended to show information for 10 years – additional years will be displayed as they become available.

Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.

#### ***June 30, 2021 measurement date –***

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2021 measurement date compared to the June 30, 20 measurement date

#### ***June 30, 2020 measurement date –***

As part of the 2020 Actuarial Experience Study for the six-year period ending June 30, 2019 as approved by the System Board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

- Updated the underlying mortality tables from the RP-2014 set of tables to the public sector-based PUB (10) tables.
- Increased slightly the probabilities of turnover.
- Decreased slightly the probabilities of retirement.
- Modified slightly the probabilities of disability, including adding material incidence of disability for members in the age ranges that historically have been eligible to retire but under prospective provisions are not.

#### ***June 30, 2019 measurement date –***

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

#### ***June 30, 2018 measurement date –***

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

#### ***June 30, 2017 measurement date –***

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased the general inflation assumption from 2.75% to 2.50%;
- Decreased the nominal investment return assumption from 7.50% to 7.00%;

*See notes to the required supplementary information  
See independent auditors' report*

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### *Required Supplementary Information* Notes to Municipal Employees' Retirement System

#### *Last Ten Years\**

- Decreased the general wage growth assumption from 3.25% to 3.00%;
- Decreased salary increase assumptions; and
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

#### *June 30, 2016 measurement date –*

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

#### *June 30, 2015 measurement date –*

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date

The June 30, 2015 measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

*See notes to the required supplementary information  
See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*  
Other Post-Employment Benefits – Schedule of Contribution

Last Ten Years\*

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Actuarial determined contribution	\$ 73,454	\$ 55,705	\$ 23,466	\$ 25,882	\$ 58,123	\$ 59,397	\$ 69,632
Contributions in relation to the actuarially determined contribution	36,500	40,800	38,511	62,483	72,587	168,761	110,777
Contribution deficiency (excess)	<u>\$ 36,954</u>	<u>\$ 14,905</u>	<u>\$ (15,045)</u>	<u>\$ (36,601)</u>	<u>\$ (14,464)</u>	<u>\$ (109,364)</u>	<u>\$ (41,145)</u>
Covered-employee payroll	\$ 2,560,929	\$ 2,026,587	\$ 2,150,555	\$ 2,116,782	\$ 2,063,140	\$ 2,066,162	\$ 2,013,803
Contributions as a percentage of covered-employee payroll	1.43%	2.01%	1.79%	2.95%	3.52%	8.17%	5.50%

\*Seven year of implementation of GASB 74, therefore only seven years of the ten required data is available.

*See notes to the required supplementary information*  
*See independent auditors' report*

## TOWN OF NEW SHOREHAM, RHODE ISLAND

### *Required Supplementary Information*

#### Other Post-Employment Benefits - Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Last Ten Years\*

**Actuarial Methods and Assumptions:**

Measurement Date	June 30, 2022																				
Actuarial Valuation Date	July 1, 2021 with results actuarially projected on a "no gain/no loss" basis to get to the June 30, 2022 measurement date. Liabilities as of July 1, 2021 are based on an actual valuation date of July 1, 2021 with no adjustments																				
Discount Rate	5.30% as of July 1, 2021 and 5.30% as of June 30, 2022 for accounting and funding disclosure purposes. Refer to the Discussion of Discount Rate section for more information on the selection of the discount rate.																				
Long-term Rate of Return	The long-term expected rate of return on OPEB plan investment is assumed to be 5.30%. This was determined using a building block method in which expected future rates of return are developed for each major asset class.																				
Payroll Growth	2.60% per year - based on future plan sponsor expectations.																				
Inflation Rate	2.60% per year - based on current economic environment and future expectations																				
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: *Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and *Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.																				
Asset Valuation Method	Market Value																				
Healthcare Trend Rates	<table border="0" style="margin-left: 20px;"> <thead> <tr> <th>FYE</th> <th>Medical/Rx</th> <th>FYE</th> <th>Medical/Rx</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>7.50%</td> <td>2027</td> <td>5.50%</td> </tr> <tr> <td>2024</td> <td>7.00%</td> <td>2028</td> <td>5.00%</td> </tr> <tr> <td>2025</td> <td>6.50%</td> <td>2029+</td> <td>4.50%</td> </tr> <tr> <td>2026</td> <td>6.00%</td> <td></td> <td></td> </tr> </tbody> </table>	FYE	Medical/Rx	FYE	Medical/Rx	2023	7.50%	2027	5.50%	2024	7.00%	2028	5.00%	2025	6.50%	2029+	4.50%	2026	6.00%		
FYE	Medical/Rx	FYE	Medical/Rx																		
2023	7.50%	2027	5.50%																		
2024	7.00%	2028	5.00%																		
2025	6.50%	2029+	4.50%																		
2026	6.00%																				
Retiree Contribution	Retiree contributions are assumed to increase according to health care trend rates																				
ProVal	Valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing postretirement medical valuations. We coded the plan provisions, assumptions, methods and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weakness or limitations in the software and have determined it is appropriate for performing this valuation.																				

*See notes to the required supplementary information  
See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*

Other Post-Employment Benefits - Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Last Ten Years\*

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
<b>Total OPEB liability</b>							
Service cost	\$ 33,908	\$ 34,849	\$ 33,966	\$ 32,472	\$ 31,044	\$ 45,176	\$ 44,031
Interest on net OPEB liability and service cost	38,460	28,140	42,318	40,199	42,924	32,726	33,236
Differences between actual and expected experience	(150,856)	220,842	(321,174)	(19,492)	(102,667)	6,032	16,556
Changes of assumptions	(14,436)	(9,639)	(11,477)	-	10,324	(153,599)	-
Benefit payments, including refunds	-	-	(4,511)	(27,483)	(37,587)	(97,704)	(110,777)
Net change in total OPEB liability	(92,924)	274,192	(260,878)	25,696	(55,962)	(167,369)	(16,954)
Total OPEB liability - beginning	<u>750,986</u>	<u>476,794</u>	<u>737,672</u>	<u>711,976</u>	<u>767,938</u>	<u>935,307</u>	<u>952,261</u>
Total OPEB liability - ending	<u>\$ 658,062</u>	<u>\$ 750,986</u>	<u>\$ 476,794</u>	<u>\$ 737,672</u>	<u>\$ 711,976</u>	<u>\$ 767,938</u>	<u>\$ 935,307</u>
<b>OPEB fiduciary net position</b>							
Benefit payments, including refunds	\$ -	\$ -	\$ (4,511)	\$ (27,483)	\$ (37,587)	\$ (97,704)	\$ (110,777)
Contributions - employer	36,500	40,800	38,511	62,483	72,587	168,761	110,777
Administrative expenses	(1,170)	(955)	-	-	-	-	-
Net investment income	<u>(45,936)</u>	<u>47,045</u>	<u>12,295</u>	<u>(5,031)</u>	<u>6,939</u>	<u>6,822</u>	<u>4,366</u>
Net change in plan fiduciary net position	(10,606)	86,890	46,295	29,969	41,939	77,879	4,366
Plan fiduciary net position - beginning	<u>373,576</u>	<u>286,685</u>	<u>240,390</u>	<u>210,421</u>	<u>168,482</u>	<u>90,603</u>	<u>86,237</u>
Plan fiduciary net position - ending	<u>\$ 362,970</u>	<u>\$ 373,576</u>	<u>\$ 286,685</u>	<u>\$ 240,390</u>	<u>\$ 210,421</u>	<u>\$ 168,482</u>	<u>\$ 90,603</u>
Plan's net pension liability - ending	<u>\$ 295,092</u>	<u>\$ 377,410</u>	<u>\$ 190,109</u>	<u>\$ 497,282</u>	<u>\$ 501,555</u>	<u>\$ 599,456</u>	<u>\$ 844,704</u>

\*Seventh year of implementation of GASB 74, therefore only seven years of the ten required data is available.

*See notes to the required supplementary information  
See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*

Other Post-Employment Benefits - Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Last Ten Years\*

<b>Actuarial Valuation Date</b>	<b>Fiduciary Net Position</b>	<b>Total OPEB Liability (TOL)</b>	<b>Net OPEB Liability (NOL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>NOL as a % of Covered Payroll</b>
6/30/2022	(10,606)	658,062	295,092	55.20%	2,560,929	11.50%
6/30/2021	373,575	750,986	377,411	49.74%	2,026,587	18.62%
6/30/2020	286,685	476,794	190,109	60.13%	2,150,555	8.84%
6/30/2019	240,390	737,672	497,282	32.59%	2,116,782	23.49%
6/30/2018	210,421	711,976	501,555	29.55%	2,063,140	24.31%
6/30/2017	168,482	767,938	599,456	21.94%	2,066,162	29.01%
6/30/2016	90,603	935,307	844,704	9.69%	2,013,803	41.95%

\*Seven year of implementation of GASB 74, therefore only seven years of the ten required data is available.

*See notes to the required supplementary information  
See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Required Supplementary Information*

Other Post-Employment Benefits - Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Last Ten Years\*

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expense	5.30%	4.90%	6.49%	-2.39%	4.12%	5.80%

\*Sixth year of implementation of GASB 74, therefore only six years of the ten required data is available.

*See notes to the required supplementary information  
See independent auditors' report*

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*Supplementary Information*

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**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Budgetary Comparison Schedule - Sewer Enterprise Fund

*For the Year Ended June 30, 2022*

	<b>Original Budget</b>	<b>Additional</b>	<b>Total</b>		<b>Variance</b>
	<b>As</b>	<b>Appropriations</b>	<b>Available</b>	<b>Actual</b>	<b>Favorable</b>
	<b>Adopted</b>	<b>and Transfers</b>			<b>(Unfavorable)</b>
<b>Revenue</b>					
Charges for services	\$ 1,399,594	\$ -	\$ 1,399,594	\$ 1,488,826	\$ 89,232
Interest income	9,000	-	9,000	8,264	(736)
Miscellaneous	<u>56,857</u>	-	<u>56,857</u>	<u>52,744</u>	<u>(4,113)</u>
Total revenue	<u>1,465,451</u>	-	<u>1,465,451</u>	<u>1,549,834</u>	<u>84,383</u>
<b>Expenses</b>					
Personnel services	413,703	-	413,703	415,863	(2,160)
Purchase of services	302,183	-	302,183	328,676	(26,493)
Supplies	145,000	-	145,000	166,314	(21,314)
Other charges and expenditures	82,050	-	82,050	99,009	(16,959)
Capital outlay	16,000	-	16,000	4,394	11,606
Debt service	127,820	-	127,820	125,750	2,070
Depreciation	<u>378,695</u>	-	<u>378,695</u>	<u>369,175</u>	<u>9,520</u>
Total expenses	<u>1,465,451</u>	-	<u>1,465,451</u>	<u>1,509,181</u>	<u>(43,730)</u>
Excess(deficiency) of revenues over expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,653</u>	<u>40,653</u>
<b>Other financing sources (uses):</b>					
Transfers between funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenses and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>40,653</u>	<u>\$ 40,653</u>
Adjustments of budgetary basis for US GAAP basis				<u>49,879</u>	
Excess of revenues and other source over expenditures and other financing uses, US GAAP basis				<u>90,532</u>	
Net Position, July 1, 2021				<u>6,135,728</u>	
Net Position, June 30, 2022				<u>\$ 6,226,260</u>	

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Budgetary Comparison Schedule - Water Enterprise Fund

*For the Year Ended June 30, 2022*

	<b>Original Budget As Adopted</b>	<b>Additional Appropriations and Transfers</b>	<b>Total Available</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>
<b>Revenues:</b>					
Charges for services	\$ 807,289	\$ -	\$ 807,289	\$ 908,161	\$ 100,872
Interest income	5,000	-	5,000	5,499	499
Miscellaneous	8,000	-	8,000	455,338	447,338
	<u>820,289</u>	<u>-</u>	<u>820,289</u>	<u>1,368,998</u>	<u>548,709</u>
<b>Expenses:</b>					
Purchase of services	219,123	-	219,123	191,041	28,082
Supplies	33,000	-	33,000	39,498	(6,498)
Other charges and expenditures	52,000	-	52,000	54,610	(2,610)
Depreciation	243,550	-	243,550	207,878	35,672
Debt service	105,357	-	105,357	102,012	3,345
	<u>943,405</u>	<u>-</u>	<u>943,405</u>	<u>880,343</u>	<u>63,062</u>
Excess(deficiency) of revenues over expenses	(123,116)	-	(123,116)	488,655	611,771
<b>Other financing sources (uses):</b>					
Contributions from Reserves	123,116	-	123,116	-	(123,116)
Excess (deficiency) of revenues and other sources over expenses and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>488,655</u>	<u>\$ 488,655</u>
Adjustments of budgetary basis for US GAAP basis				<u>58,038</u>	
Excess of revenue and other source over expenditures and other financing uses, US GAAP basis				<u>546,693</u>	
Net Position, July 1, 2021, restated				<u>4,018,956</u>	
Net Position, June 30, 2022				<u>\$ 4,565,649</u>	

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Notes to Supplementary Information

*For the Year Ended June 30, 2022*

The previous budgetary comparison pages are held on the budgetary basis of accounting. The following schedule provide a reconciliation from the budgetary basis of accounting to the GAAP basis of accounting.

	<b>Sewer Enterprise Fund</b>	<b>Water Enterprise Fund</b>
Excess (deficiency) of revenues and other sources over expenditures/expenses and other uses (Non-GAAP Budgetary Basis)	\$ 40,653	\$ 488,655
Budgeted debt principal not considered an expense on full accrual statements	<u>49,879</u>	<u>58,038</u>
Excess (deficiency) of revenues and other sources over expenditures/expenses and other uses (GAAP Basis)	<u>\$ 90,532</u>	<u>\$ 546,693</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Tax Collector's Annual Report

*For the Year Ended June 30, 2022*

Real estate and personal property tax receivable:

Tax Roll Year	Balance July 1, 2021	Assessment	Abatements Refunds	Tranfers/ Adjustments	Amount to be collected	Collections	Balance June 30, 2022	FY 2022 Cash Collections Summary			July - August 2022 (FY 22) Cash Collections Subject to 60-day FY 21 Accrual
								July - August 2021 Collections Subject to 60-day FY21 Accrual	September - June-21 Collections	Total FY 2022 Cash Collections	
2021	\$ -	\$ 11,426,958	\$ (14,157)	\$ (26,889)	\$11,385,912	\$11,215,689	\$ 170,223	\$ -	\$ 11,215,689	\$ 11,215,689	\$ 98,116
2020	183,176	-	9,817	(14,866)	178,127	114,231	63,896	80,540	33,691	114,231	23,316
2019	46,881	-	10,815	(1,011)	56,685	15,985	40,700	9,805	6,180	15,985	68
2018	24,719	-	542	(1,395)	23,866	94	23,772	-	94	94	-
2017	23,134	-	-	314	23,448	32	23,416	-	32	32	-
2016	1,080	-	-	-	1,080	41	1,039	-	41	41	-
2015	3,279	-	-	(2,205)	1,074	63	1,011	-	63	63	-
2014	998	-	-	-	998	14	984	-	14	14	-
2013	740	-	-	-	740	7	733	-	7	7	-
2012	638	-	-	(569)	69	7	62	-	7	7	-
2011	60	-	-	-	60	-	60	-	-	-	-
2010	106	-	-	-	106	-	106	-	-	-	-
2009	152	-	-	-	152	-	152	-	-	-	-
2008	169	-	-	-	169	-	169	-	-	-	-
2007	50	-	-	-	50	-	50	-	-	-	-
2006	152	-	-	-	152	-	152	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-
2004 and prior	5,831	-	-	-	5,831	-	5,831	-	-	-	-
	<u>\$ 291,165</u>	<u>\$ 11,426,958</u>	<u>\$ 7,016</u>	<u>\$ (46,621)</u>	<u>\$11,678,518</u>	<u>\$11,346,163</u>	<u>\$ 332,355</u>	<u>\$ 90,345</u>	<u>\$11,255,818</u>	<u>\$ 11,346,163</u>	<u>\$ 121,500</u>
Less: Allowance for Uncollectible accounts	<u>40,000</u>						<u>40,000</u>				
	<u>\$ 251,165</u>						<u>\$ 292,355</u>				

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Tax Collector's Annual Report

*For the Year Ended June 30, 2022*

**Schedule of property valuation assessed as of December 31, 2021:**

	<u>Valuation</u>	<u>Levy</u>
Real property	\$ 1,687,912,664	\$ 11,243,838
Motor vehicles	14,787,647	80,600
Tangible personal property	<u>15,288,959</u>	<u>102,520</u>
Total	1,717,989,270	11,426,958
Less: Exemptions and motor vehicle phase out		
Real property	(13,702,102)	-
Motor vehicles	(6,516,064)	-
Tangible personal property	<u>-</u>	<u>-</u>
Total	<u>\$ 1,697,771,104</u>	<u>\$ 11,426,958</u>

**Reconciliation of Current Year Property Tax Revenue**

Current Year Collections	\$ 11,346,163
60-day FY22 Accrual	121,500
<i>July-August 2022 Collections</i>	
60-day FY21 Accrual	<u>(90,345)</u>
<i>July-August 2022 Collections</i>	
Current Year Property Tax Revenue	<u><u>\$ 11,377,318</u></u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Balance Sheet – Non-Major Governmental Funds

June 30, 2022

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Permanent Trust Funds</b>	<b>Total Non-Major Governmental Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,225,115	\$ 508,920	\$ 254,719	\$ 1,988,754
Investments	27,075	-	-	27,075
Federal and state grants receivable	400	39,806	-	40,206
Due from other funds	-	2,514,349	4,850	2,519,199
Total assets	<u>1,252,590</u>	<u>3,063,075</u>	<u>259,569</u>	<u>4,575,234</u>
<b>Deferred outflows of resources</b>				
Deferred outflows	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,252,590</u>	<u>\$ 3,063,075</u>	<u>\$ 259,569</u>	<u>\$ 4,575,234</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 67	\$ 9,775	\$ -	\$ 9,842
Due to other funds	889	3,617,282	-	3,618,171
Total liabilities	<u>956</u>	<u>3,627,057</u>	<u>-</u>	<u>3,628,013</u>
<b>Deferred inflows of resources</b>				
Deferred revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Nonspendable	-	-	259,569	259,569
Restricted	1,251,740	-	-	1,251,740
Committed	-	1,197,658	-	1,197,658
Assigned	-	-	-	-
Unassigned	(106)	(1,761,640)	-	(1,761,746)
Total fund balance	<u>1,251,634</u>	<u>(563,982)</u>	<u>259,569</u>	<u>947,221</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 1,252,590</u>	<u>\$ 3,063,075</u>	<u>\$ 259,569</u>	<u>\$ 4,575,234</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - Non Major Governmental Funds

*For the Year Ended June 30, 2022*

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Trust Funds</u>	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>				
Other revenue	\$ 456,104	\$ 15,991	\$ 9,350	\$ 481,445
Investment income	3,619	-	642	4,261
<b>Total revenue</b>	<u>459,723</u>	<u>15,991</u>	<u>9,992</u>	<u>485,706</u>
<b>Expenditures</b>				
Health and human services	10	-	-	10
Education	-	-	-	-
Public Works	-	-	-	-
Recreation, library, and other	18,989	-	-	18,989
Public infrastructure	-	-	-	-
Economic development	12,811	13,160	-	25,971
Capital outlay	-	961,014	-	961,014
<b>Total Expenditures</b>	<u>31,810</u>	<u>974,174</u>	<u>-</u>	<u>1,005,984</u>
Excess (deficiency) of revenues over expenditures	427,913	(958,183)	9,992	(520,278)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	(161,835)	(132,331)	-	(294,166)
<b>Total other financing sources (uses)</b>	<u>(161,835)</u>	<u>(132,331)</u>	<u>-</u>	<u>(294,166)</u>
Excess of revenue and other sources over expenditures and other uses	266,078	(1,090,514)	9,992	(814,444)
Fund balance, July 1, 2021	<u>985,556</u>	<u>526,532</u>	<u>249,577</u>	<u>1,761,665</u>
Fund balance, June 30, 2022	<u>\$ 1,251,634</u>	<u>\$ (563,982)</u>	<u>\$ 259,569</u>	<u>\$ 947,221</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Combining Balance Sheet – Non-Major Governmental Funds

June 30, 2022

	<b>Special Revenue Funds</b>					Town Special Revenue Total
	Landing Fees	BICEP - RLO Fund	OHTF - RLO Fund	BIHB - RLO Fund	Library Fund	
<b>Assets</b>						
Cash and cash equivalents	\$ 155,498	\$ 362	\$ 96,960	\$ 775,014	\$ 197,281	\$ 1,225,115
Investments	-	-	-	-	27,075	27,075
Federal and state grants receivable	-	400	-	-	-	400
RIBB Loan	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<u>155,498</u>	<u>762</u>	<u>96,960</u>	<u>775,014</u>	<u>224,356</u>	<u>1,252,590</u>
<b>Deferred Outflows of Resources</b>						
None	-	-	-	-	-	-
<b>Total outflows of resources and assets</b>	<u>155,498</u>	<u>762</u>	<u>96,960</u>	<u>775,014</u>	<u>224,356</u>	<u>1,252,590</u>
<b>Liabilities</b>						
Retainage payable	-	-	-	-	-	-
Accounts payable and accrued expenses	-	-	-	-	67	67
Due to other funds	-	868	-	21	-	889
<b>Total liabilities</b>	<u>-</u>	<u>868</u>	<u>-</u>	<u>21</u>	<u>67</u>	<u>956</u>
<b>Deferred Inflows of Resources</b>						
Unearned Revenue	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>						
Restricted	155,498	-	96,960	774,993	224,289	1,251,740
Committed	-	-	-	-	-	-
Unassigned	-	(106)	-	-	-	(106)
<b>Total fund balances (deficits)</b>	<u>155,498</u>	<u>(106)</u>	<u>96,960</u>	<u>774,993</u>	<u>224,289</u>	<u>1,251,634</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 155,498</u>	<u>\$ 762</u>	<u>\$ 96,960</u>	<u>\$ 775,014</u>	<u>\$ 224,356</u>	<u>\$ 1,252,590</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Combining Balance Sheet – Non-Major Governmental Funds

June 30, 2022

	<b>Capital Projects Fund</b>						Town Capital Projects Total
	Sidewalk Const Fund	Roads Const Fund	PW Infrastructure	Beach Construction	West Beach Construction	Thomas Prop Construction	
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 508,920	\$ -	\$ -	\$ -	\$ 508,920
Investments	-	-	-	-	-	-	-
Federal and state grants receivable	39,806	-	-	-	-	-	39,806
RIB Loan	-	-	-	-	-	-	-
Due from other funds	546,550	-	-	240,000	227,799	1,500,000	2,514,349
Total assets	<u>586,356</u>	<u>-</u>	<u>508,920</u>	<u>240,000</u>	<u>227,799</u>	<u>1,500,000</u>	<u>3,063,075</u>
<b>Deferred Outflows of Resources</b>							
None	-	-	-	-	-	-	-
Total outflows of resources and assets	<u>586,356</u>	<u>-</u>	<u>508,920</u>	<u>240,000</u>	<u>227,799</u>	<u>1,500,000</u>	<u>3,063,075</u>
<b>Liabilities</b>							
Retainage payable	9,775	-	-	-	-	-	9,775
Accounts payable and accrued expenses	-	-	-	-	-	-	-
Due to other funds	665,610	1,650,378	150,661	222,112	250,033	678,489	3,617,283
Total liabilities	<u>675,385</u>	<u>1,650,378</u>	<u>150,661</u>	<u>222,112</u>	<u>250,033</u>	<u>678,489</u>	<u>3,627,058</u>
<b>Deferred Inflows of Resources</b>							
Unearned Revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>							
Restricted	-	-	-	-	-	-	-
Committed	-	-	358,259	17,888	-	821,511	1,197,658
Unassigned	(89,029)	(1,650,378)	-	-	(22,234)	-	(1,761,641)
Total fund balances (deficits)	<u>(89,029)</u>	<u>(1,650,378)</u>	<u>358,259</u>	<u>17,888</u>	<u>(22,234)</u>	<u>821,511</u>	<u>(563,983)</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 586,356</u>	<u>\$ -</u>	<u>\$ 508,920</u>	<u>\$ 240,000</u>	<u>\$ 227,799</u>	<u>\$ 1,500,000</u>	<u>\$ 3,063,075</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Balance Sheet – Non-Major Governmental Funds

*June 30, 2022*

	<b>Permanent Funds</b>
	<b>Cemetery Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 254,719
Due from other funds	4,850
Total assets	259,569
<b>Deferred Outflows of Resources</b>	
None	-
Total outflows of resources and assets	259,569
<b>Liabilities</b>	
Warrants Payable	-
Total liabilities	-
<b>Deferred Inflows of Resources</b>	
Unearned Revenue	-
<b>Total deferred inflows of resources</b>	-
<b>Fund Balance</b>	
Nonspendable	259,569
Total fund balances (deficits)	259,569
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 259,569</b>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Non Major Governmental Funds

*For the Year Ended June 30, 2022*

	<b>Special Revenue</b>					Town Special Revenue Total
	Landing Fees	BICEP - RLO Fund	OHTF - RLO Fund	BIHB - RLO Fund	Library Fund	
<b>Revenues</b>						
State grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	20	253	3,346	3,619
Other	155,498	-	10,488	168,830	121,288	456,104
<b>Total revenues</b>	<u>155,498</u>	<u>-</u>	<u>10,508</u>	<u>169,083</u>	<u>124,634</u>	<u>459,723</u>
<b>Expenditures</b>						
Health & Human Services	-	10	-	-	-	10
Culture & recreation	-	-	2,460	-	16,529	18,989
Economic development	-	0	-	12,811	-	12,811
Public infrastructure	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>10</u>	<u>2,460</u>	<u>12,811</u>	<u>16,529</u>	<u>31,810</u>
<b>Excess (deficiency) of revenue over expenditures</b>	155,498	(10)	8,048	156,272	108,105	427,913
<b>Other financing sources (uses)</b>						
Bond proceeds	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-
Transfers Out	(132,875)	-	-	-	(28,960)	(161,835)
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>22,623</u>	<u>(10)</u>	<u>8,048</u>	<u>156,272</u>	<u>79,145</u>	<u>266,078</u>
<b>Fund Balance, July 1, 2021</b>	<u>132,875</u>	<u>(96)</u>	<u>88,912</u>	<u>618,721</u>	<u>145,144</u>	<u>985,556</u>
<b>Fund Balance, June 30, 2022</b>	<u>\$ 155,498</u>	<u>\$ (106)</u>	<u>\$ 96,960</u>	<u>\$ 774,993</u>	<u>\$ 224,289</u>	<u>1,251,634</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Non Major Governmental Funds

*For the Year Ended June 30, 2022*

	<b>Capital Projects</b>						Town Capital Projects Total
	Sidewalk Const Fund	Roads Const Fund	PW Infrastructure	Beach Construction	West Beach Construction	Thomas Prop Construction	
<b>Revenues</b>							
State grants	\$ 15,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,991
Investment income	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenues	<u>15,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,991</u>
<b>Expenditures</b>							
Health & Human Services	-	-	-	-	-	-	-
Culture & recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	13,160	13,160
Public infrastructure	-	961,014	-	-	-	-	961,014
Total expenditures	<u>-</u>	<u>961,014</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,160</u>	<u>974,174</u>
<b>Excess (deficiency) of revenue over expenditures</b>	15,991	(961,014)	-	-	-	(13,160)	(958,183)
<b>Other financing sources (uses)</b>							
Bond proceeds	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	(132,331)	-	-	-	(132,331)
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>15,991</u>	<u>(961,014)</u>	<u>(132,331)</u>	<u>-</u>	<u>-</u>	<u>(13,160)</u>	<u>(1,090,514)</u>
<b>Fund Balance, July 1, 2021</b>	<u>(105,020)</u>	<u>(689,364)</u>	<u>490,590</u>	<u>17,888</u>	<u>(22,234)</u>	<u>834,671</u>	<u>526,531</u>
<b>Fund Balance, June 30, 2022</b>	<u>\$ (89,029)</u>	<u>\$ (1,650,378)</u>	<u>\$ 358,259</u>	<u>\$ 17,888</u>	<u>\$ (22,234)</u>	<u>\$ 821,511</u>	<u>(563,983)</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances - Non Major Governmental Funds

*For the Year Ended June 30, 2022*

	<b>Permanent Funds</b>
	<b>Cemetery Funds</b>
<b>Revenues</b>	
Federal grants	\$ -
Investment income	642
Other	9,350
Total revenues	9,992
<b>Expenditures</b>	
General government	-
Total expenditures	-
Excess (deficiency) of revenue over expenditures	9,992
<b>Other financing sources (uses):</b>	
None	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	9,992
<b>Fund Balance, Nonspendable June 30, 2021</b>	<b>249,577</b>
<b>Fund Balance, Nonspendable June 30, 2022</b>	<b>\$ 259,569</b>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Combining Balance Sheet - School Department

June 30, 2022

	School Restricted			Total School Department Funds
	School Unrestricted	School Special Revenue	Capital Projects	
<b>Assets</b>				
Cash and cash equivalents	\$ 57,676	\$ 63,773	\$ -	\$ 121,449
Receivables, other	10,283	-	-	10,283
Due from state and federal government	476	25,606	-	26,082
Due from Town of New Shoreham	-	-	245,195	245,195
Due from other funds	903,669	54,918	-	958,587
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	972,104	144,297	245,195	1,361,596
<b>Deferred outflows of resources</b>				
Deferred outflows	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets and deferred outflows of resources	<u>\$ 972,104</u>	<u>\$ 144,297</u>	<u>\$ 245,195</u>	<u>\$ 1,361,596</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 441,950	\$ 5,305	\$ 223,815	\$ 671,070
Due to other funds	6,272	85,749	21,380	113,401
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	448,222	91,054	245,195	784,471
<b>Deferred inflows of resources</b>				
Deferred Revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	-	-	-	-
<b>Fund balances</b>				
Restricted	-	53,245	-	53,245
Committed	523,882	-	-	523,882
Unassigned	-	(2)	-	(2)
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balance	523,882	53,243	-	577,125
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 972,104</u>	<u>\$ 144,297</u>	<u>\$ 245,195</u>	<u>\$ 1,361,596</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances - School Department

*For the Year Ended June 30, 2022*

	<b>School Unrestricted</b>	<b>School Restricted Special Revenue</b>	<b>Capital Projects</b>	<b>Total School Department Funds</b>
<b>Revenues</b>				
Federal and state grant income	\$ 236,264	\$ 163,616	\$ 89,221	\$ 489,101
Medicaid reimbursement	21,395	-	-	21,395
Charges for services	-	112,128	-	112,128
Other revenue	-	-	145,468	145,468
State contribution to teachers' pension plan	338,133	-	-	338,133
<b>Total revenue</b>	<b>595,792</b>	<b>275,744</b>	<b>234,689</b>	<b>1,106,225</b>
<b>Expenditures</b>				
Education	5,795,858	252,386	189,720	6,237,964
Capital outlay	-	-	45,468	45,468
<b>Total Expenditures</b>	<b>5,795,858</b>	<b>252,386</b>	<b>235,188</b>	<b>6,283,432</b>
Excess (deficiency) of revenues over expenditures	(5,200,066)	23,358	(499)	(5,177,207)
<b>Other financing sources (uses):</b>				
Transfers in	5,272,797	3,830	499	5,277,126
Transfers out	(4,329)	-	-	(4,329)
<b>Total other financing sources (uses)</b>	<b>5,268,468</b>	<b>3,830</b>	<b>499</b>	<b>5,272,797</b>
Excess of revenue and other sources over expenditures and other uses	68,402	27,188	-	95,590
Fund balance, July 1, 2021	455,480	26,055	-	481,535
Fund balance, June 30, 2022	\$ 523,882	\$ 53,243	\$ -	\$ 577,125

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Balance Sheet - School Restricted- Special Revenue

June 30, 2022

	<u>Reap Grant</u>	<u>Title III</u>	<u>Title IV</u>	<u>Title IIA</u>	<u>RTTT</u>	<u>Champlin Foundation Grant</u>
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	683	-	-	-	10,345
Due from state or federal government	9,325	-	1,373	4,200	-	-
Total assets	<u>9,325</u>	<u>683</u>	<u>1,373</u>	<u>4,200</u>	<u>-</u>	<u>10,345</u>
<b>Deferred Outflows of Resources</b>						
None	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>9,325</u>	<u>683</u>	<u>1,373</u>	<u>4,200</u>	<u>-</u>	<u>10,345</u>
<b>Liabilities</b>						
Accounts payable and accrued expenses	-	-	-	-	-	-
Due to other funds	9,325	683	1,373	4,200	2	-
Total liabilities	<u>9,325</u>	<u>683</u>	<u>1,373</u>	<u>4,200</u>	<u>2</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>						
None	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>						
Restricted	-	-	-	-	-	10,345
Unassigned	-	-	-	-	(2)	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 9,325</u>	<u>\$ 683</u>	<u>\$ 1,373</u>	<u>\$ 4,200</u>	<u>\$ -</u>	<u>\$ 10,345</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Balance Sheet - School Restricted- Special Revenue

*June 30, 2022*

	ARPA - ESSER III Priority 2	- ARPA - ESSER III	ELC Grant	CARES Act ESSER II Priority 1&2	Title I Part A
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	43,398	-
Due from state or federal government	-	-	-	-	-
Total assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,398</u>	<u>-</u>
<b>Deferred Outflows of Resources</b>					
None	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,398</u>	<u>-</u>
<b>Liabilities</b>					
Accounts payable and accrued expenses	-	-	-	-	-
Due to other funds	-	-	-	43,398	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,398</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
None	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>					
Restricted					
Unassigned	-	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,398</u>	<u>\$ -</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Balance Sheet - School Restricted- Special Revenue

June 30, 2022

	<b>IDEA Part B</b>	<b>IDEA Preschool</b>	<b>Cafeteria</b>	<b>School Lunch</b>	<b>Student Activities</b>	<b>Total School Restricted Funds</b>
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 21,365	\$ 42,408	\$ 63,773
Due from other funds	-	-	-	-	492	54,918
Due from state or federal government	5,940	-	-	4,768	-	25,606
Total assets	<u>5,940</u>	<u>-</u>	<u>-</u>	<u>26,133</u>	<u>42,900</u>	<u>144,297</u>
<b>Deferred Outflows of Resources</b>						
None	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u><u>5,940</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>26,133</u></u>	<u><u>42,900</u></u>	<u><u>144,297</u></u>
<b>Liabilities</b>						
Accounts payable and accrued expenses	-	-	-	5,305	-	5,305
Due to other funds	5,940	-	-	20,828	-	85,749
Total liabilities	<u>5,940</u>	<u>-</u>	<u>-</u>	<u>26,133</u>	<u>-</u>	<u>91,054</u>
<b>Deferred Inflows of Resources</b>						
None	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>						
Restricted			-	-	42,900	53,245
Unassigned	-	-	-	-	-	(2)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 5,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,133</u>	<u>\$ 42,900</u>	<u>\$ 144,297</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Combining Balance Sheet - School Restricted- Capital Projects

*June 30, 2022*

	<b>School Improvements</b>
<b>Assets</b>	
Cash & Cash Equivalents	\$ -
Due from Other funds	245,195
Total assets	<u>245,195</u>
	-
<b>Deferred Outflows of Resources</b>	
None	-
Total deferred outflows of resources	<u>-</u>
	-
<b>Liabilities</b>	
Accounts Payable	223,815
Due to Other funds	21,380
Total liabilities	<u>245,195</u>
	-
<b>Deferred Inflows of Resources</b>	
None	-
Total deferred inflows of resources	<u>-</u>
	-
<b>Fund Balances</b>	
Committed	-
	-
Total fund balances (deficits)	<u>-</u>
	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 245,195</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances - School Restricted Fund- Special Revenue

*For the Year Ended June 30, 2022*

	<b>Reap Grant</b>	<b>Title III</b>	<b>Title IV</b>	<b>Title IIA</b>	<b>RISCA</b>	<b>Champlin Foundation Grant</b>
<b>Revenues</b>						
Federal grant income	\$ 14,849	\$ 683	\$ 4,190	\$ 4,200	\$ -	\$ -
State grant income	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>14,849</u>	<u>683</u>	<u>4,190</u>	<u>4,200</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>						
Education	<u>14,849</u>	<u>683</u>	<u>4,190</u>	<u>4,200</u>	<u>-</u>	<u>5,995</u>
Total Expenditures	<u>14,849</u>	<u>683</u>	<u>4,190</u>	<u>4,200</u>	<u>-</u>	<u>5,995</u>
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	(5,995)
<b>Other financing sources (uses)</b>						
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	(5,995)
<b>Fund balance, July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>16,340</u>
<b>Fund balance, June 30, 2022</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ 10,345</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
 Combining Statement of Revenues, Expenditures and  
 Changes in Fund Balances - School Restricted Fund- Special Revenue

*For the Year Ended June 30, 2022*

	<b>ARPA - ESSER III Priority 2</b>	<b>CARES Act Substitute Teacher</b>	<b>ELC Grant</b>	<b>CARES Act ESSER II Priority 1&amp;2</b>	<b>Title I Part A</b>
<b>Revenues</b>					
Federal grant income	\$ 10,788	\$ 39,999	\$ 4,780	\$ -	\$ 1,886
State grant income	-	-	-	60,000	-
Charges for services	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>10,788</u>	<u>39,999</u>	<u>4,780</u>	<u>60,000</u>	<u>1,886</u>
<b>Expenditures</b>					
Education	<u>10,788</u>	<u>39,999</u>	<u>4,780</u>	<u>7,198</u>	<u>1,886</u>
Total Expenditures	<u>10,788</u>	<u>39,999</u>	<u>4,780</u>	<u>7,198</u>	<u>1,886</u>
Excess (deficiency) of revenue over expenditures	-	-	-	52,802	-
<b>Other financing sources (uses)</b>					
Transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	52,802	-
<b>Fund balance, July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,802)</u>	<u>-</u>
<b>Fund balance, June 30, 2022</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - School Restricted Fund- Special Revenue

*For the Year Ended June 30, 2022*

	<b>IDEA Part B</b>	<b>IDEA Part B</b>	<b>RI Energy Resources</b>	<b>School Lunch</b>	<b>Student Activities</b>	<b>Total School Restricted Funds</b>
<b>Revenues</b>						
Federal grant income	\$ 17,241	\$ -	\$ -	\$ -	\$ -	\$ 98,616
State grant income	-	-	5,000	-	-	65,000
Charges for services	-	-	-	84,576	27,552	112,128
Other	-	-	-	-	-	-
Total revenues	<u>17,241</u>	<u>-</u>	<u>5,000</u>	<u>84,576</u>	<u>27,552</u>	<u>275,744</u>
<b>Expenditures</b>						
Education	17,241	-	5,000	88,406	47,171	252,386
Total Expenditures	<u>17,241</u>	<u>-</u>	<u>5,000</u>	<u>88,406</u>	<u>47,171</u>	<u>252,386</u>
Excess (deficiency) of revenue over expenditures	-	-	-	(3,830)	(19,619)	23,358
<b>Other financing sources (uses)</b>						
Transfers in (out)	-	-	-	3,830	-	3,830
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,830</u>	<u>-</u>	<u>3,830</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	(19,619)	27,188
<b>Fund balance, July 1, 2021</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,519</u>	<u>26,055</u>
<b>Fund balance, June 30, 2022</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,900</u>	<u>\$ 53,243</u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances - School Restricted Fund- Capital Projects

*For the Year Ended June 30, 2022*

	<u>School Improvements</u>
<b>Revenues</b>	
Federal and State Grants	\$ 89,221
Other	<u>145,468</u>
Total revenues	<u>234,689</u>
<b>Expenditures</b>	
Education	189,720
Capital outlay	<u>45,468</u>
Total expenditures	<u>235,188</u>
Excess (deficiency) of revenue over expenditures	(499)
<b>Other financing sources (uses)</b>	
Transfer in	<u>499</u>
Total other financing sources (uses)	<u>499</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-
<b>Beginning fund balances, July 1, 2021</b>	<u>-</u>
<b>Ending fund balances, June 30, 2022</b>	<u><u>\$ -</u></u>

*See independent auditors' report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Annual Supplemental Transparency Portal (MTP2)

*For the Year Ended June 30, 2022*

**OTHER SUPPLEMENTARY INFORMATION**

The Annual Supplemental Transparency Report Schedules  
required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education Department

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

*See notes to the supplementary information*  
*See Independent Auditor's Report*

*See notes to the supplementary information*  
*See Independent Auditor's Report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Annual Supplemental Transparency Portal (MTP2)

*For the Year Ended June 30, 2022*

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 11,232,154	\$ -
Last Year's Levy Tax Collection	90,915	-
Prior Years Property Tax Collection	13,657	-
Interest & Penalty	33,273	-
PILOT & Tax Treaty (excluded from levy) Collection	20,377	-
Other Local Property Taxes	-	-
Licenses and Permits	590,643	-
Fines and Forfeitures	14,579	-
Investment Income	9,224	-
Departmental	2,071,387	-
Rescue Run Revenue	-	-
Police & Fire Detail	9,900	-
Other Local Non-Property Tax Revenues	225,569	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	21,395
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	82,640
CDBG	-	-
COFS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	36,642	48,049
COVID - ESSER	-	110,786
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	-	4,780
MV Excise Tax Reimbursement	6,910	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	91,679	-
Library Construction Aid	63,325	-
Public Service Corporation Tax	10,790	-
Meals & Beverage Tax / Hotel Tax	1,238,314	-
LEA Aid	-	236,264
Group Home	-	-
Housing Aid Capital Projects	-	89,221
Housing Aid Bonded Debt	283,468	-
State Food Service Revenue	-	-
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	47,267	1,034
Motor Vehicle Phase Out	75,789	-
Other Revenue	35,175	173,923
Local Appropriation for Education	-	5,272,797
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
<b>Total Revenue</b>	<b>\$ 16,201,037</b>	<b>\$ 6,040,889</b>
Financing Sources: Transfer from Capital Funds	\$ 132,331	\$ -
Financing Sources: Transfer from Other Funds	161,835	-
Financing Sources: Debt Proceeds	8,520,321	-
Financing Sources: Other	-	-
Rounding	-	-
<b>Total Other Financing Sources</b>	<b>\$ 8,814,487</b>	<b>\$ -</b>

*See notes to the supplementary information  
See Independent Auditor's Report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information  
Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2022

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 458,552	\$ 297,199	\$ 17,385	\$ -	\$ 166,220	\$ 259,327	\$ 560,489	\$ 166,227	\$ 685,188
Compensation - Group B	-	-	-	-	-	-	-	-	41,794
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	265	-	-	-	-	2,263	-	73,424
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	22,128
Active Medical Insurance - Group A	70,381	59,401	-	-	62,901	69,139	99,282	15,273	78,268
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	5,888	1,805	-	-	4,186	3,565	5,036	602	3,888
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	35,644	24,116	1,330	-	12,955	20,269	43,689	12,810	62,183
Life Insurance	2,181	1,633	-	-	973	1,330	2,464	533	-
State Defined Contribution- Group A	4,794	2,885	-	-	1,779	2,751	4,090	1,056	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	6,170	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	33,557	20,191	-	-	12,457	19,256	28,634	7,396	78,268
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	6,188	4,888	-	-	2,288	4,132	8,684	1,976	5,876
Purchased Services	279,232	2,484	-	49,685	181,910	37,966	81,760	49,448	18,684
Materials/Supplies	7,964	7,148	10	4,019	4,334	11,313	33,378	1,637	18,043
Software Licenses	-	-	-	125,934	-	-	-	-	14,663
Capital Outlays	3,992,821	-	-	65,999	-	24,697	115,365	146,512	74,999
Insurance	307,416	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	40,129	336,597	58,192	13,198
Vehicle Operations	-	-	-	-	-	-	-	689	38,048
Utilities	69,695	-	-	-	-	35,766	127,196	1,773	10,174
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	5,548	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	6,686	-	-
Trash Removal & Recycling	-	-	-	-	-	-	67,875	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	695,186	-	-	-	-	-	-	-	-
Other Operation Expenditures	225,754	43,508	26,435	21,298	29,085	39,383	310,448	75,827	32,956
Tipping Fees	-	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 6,201,423</b>	<b>\$ 465,523</b>	<b>\$ 45,160</b>	<b>\$ 266,935</b>	<b>\$ 479,088</b>	<b>\$ 569,023</b>	<b>\$ 1,839,484</b>	<b>\$ 539,951</b>	<b>\$ 1,271,782</b>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information  
Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2022

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation-Group A	\$ -	\$ 201,794	\$ -	\$ -	\$ -	\$ -	\$ 2,812,381	\$ 2,446,526
Compensation - Group B	-	-	-	-	-	-	41,794	394,667
Compensation - Group C	-	-	-	-	-	-	-	585,277
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime - Group A	-	843	-	-	-	-	76,795	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	8,365
Police & Fire Detail	-	-	-	-	-	-	22,128	-
Active Medical Insurance - Group A	-	75,176	-	-	-	-	529,821	290,058
Active Medical Insurance- Group B	-	-	-	-	-	-	-	40,871
Active Medical Insurance- Group C	-	-	-	-	-	-	-	100,713
Active Dental Insurance- Group A	-	3,247	-	-	-	-	28,217	17,265
Active Dental Insurance- Group B	-	-	-	-	-	-	-	2,528
Active Dental Insurance- Group C	-	-	-	-	-	-	-	4,636
Payroll Taxes	-	15,775	-	-	-	-	228,771	281,262
Life Insurance	-	1,262	-	-	-	-	10,376	17,834
State Defined Contribution- Group A	-	2,114	-	-	-	-	19,469	14,108
State Defined Contribution - Group B	-	-	-	-	-	-	-	1,548
State Defined Contribution - Group C	-	-	-	-	-	-	-	4,591
Other Benefits- Group A	-	-	-	-	-	-	6,170	25,637
Other Benefits- Group B	-	-	-	-	-	-	-	3,156
Other Benefits- Group C	-	-	-	-	-	-	-	12,114
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	14,797	-	-	-	-	214,556	337,669
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	47,357
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	30,738
Other Defined Benefit / Contribution	-	3,198	-	-	-	-	37,230	36,500
Purchased Services	-	-	-	-	-	-	701,169	535,345
Materials/Supplies	-	5	-	-	-	-	87,851	70,476
Software Licenses	-	-	-	-	-	-	140,597	13,915
Capital Outlays	1,288,887	-	-	-	-	-	5,709,280	131,535
Insurance	-	-	-	-	-	-	307,416	21,528
Maintenance	-	4,396	-	-	-	-	452,512	89,705
Vehicle Operations	-	-	-	-	-	-	38,737	160,649
Utilities	-	27,013	-	-	-	-	271,617	153,261
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	5,548	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	6,686	-
Trash Removal & Recycling	-	-	-	-	-	-	67,875	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	695,186	-
Other Operation Expenditures	-	12,464	-	-	-	-	817,158	65,465
Tippling Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	5,272,797	-	-	5,272,797	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,688,826	-	1,688,826	-
Municipal Debt- Interest	-	-	-	-	280,368	-	280,368	-
School Debt- Principal	-	-	-	-	667,197	-	667,197	-
School Debt- Interest	-	-	-	-	66,603	-	66,603	-
Retiree Medical Insurance-Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,288,887</b>	<b>\$ 362,084</b>	<b>\$ -</b>	<b>\$ 5,272,797</b>	<b>\$ 2,702,994</b>	<b>\$ -</b>	<b>\$ 21,305,131</b>	<b>\$ 5,945,299</b>
Financing Uses: Transfer to Capital Funds	-	-	-	-	-	-	\$ -	\$ -
Financing Uses: Transfer to Other Funds	-	-	-	-	-	-	132,875	-
Financing Uses: Payment to Bond Escrow Agent	-	-	-	-	-	-	-	-
Financing Uses: Other	-	-	-	-	-	-	-	-
<b>Total Other Financing Uses</b>	-	-	-	-	-	-	<b>\$ 132,875</b>	<b>\$ -</b>
<b>Net Change in Fund Balance<sup>1</sup></b>	-	-	-	-	-	-	<b>3,577,518</b>	<b>95,590</b>
<b>Fund Balance<sup>1</sup>- beginning of year</b>	-	-	-	-	-	-	<b>\$7,110,562</b>	<b>\$481,535</b>
Funds removed from Reportable Government Services (RGS)	-	-	-	-	-	-	-	-
Funds added to Reportable Government Services (RGS)	-	-	-	-	-	-	-	-
Prior period adjustments	-	-	-	-	-	-	-	-
Misc. Adjustment	-	-	-	-	-	-	1	-
<b>Fund Balance<sup>1</sup>- beginning of year adjusted</b>	-	-	-	-	-	-	<b>7,110,563</b>	<b>481,535</b>
Rounding	-	-	-	-	-	-	-	-
<b>Fund Balance<sup>1</sup>- end of year</b>	-	-	-	-	-	-	<b>\$ 10,688,081</b>	<b>\$ 577,125</b>

<sup>1</sup> and Net Position if Enterprise Fund activity is included in the transparency portal report.

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Annual Supplemental Transparency Portal (MTP2)

*For the Year Ended June 30, 2022*

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2021						\$ 7,110,562	-	\$ 7,110,562	
<i>No funds removed from RGS for fiscal 2021</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2021</i>						-	-	-	
<i>Misc. adjustments made for fiscal 2021</i>						1	-	1	
Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2022 adjusted						<u>\$ 7,110,563</u>	-	<u>\$ 7,110,563</u>	
General Fund	\$ 15,865,948	\$ 8,814,487	\$ 16,017,053	\$ 5,272,797	\$ 3,390,585	\$ 6,270,151	-	\$ 6,270,151	\$ 9,660,736
Landing Fee Fund	155,498	-	-	132,875	22,623	132,875	-	132,875	155,498
Prevention Task Force	-	-	10	-	(10)	(96)	-	(96)	(106)
Old Harbor Task Force	10,508	-	2,460	-	8,048	88,912	-	88,912	96,960
Housing Board	169,083	-	12,811	-	156,272	618,721	-	618,721	774,993
<b>Totals per audited financial statements</b>	<u>\$ 16,201,037</u>	<u>\$ 8,814,487</u>	<u>\$ 16,032,334</u>	<u>\$ 5,405,672</u>	<u>\$ 3,577,518</u>	<u>\$ 7,110,563</u>	<u>\$ -</u>	<u>\$ 7,110,563</u>	<u>\$ 10,688,081</u>
<b>Reconciliation from financial statements to MTP2</b>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 5,272,797	\$ (5,272,797)	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 16,201,037</u>	<u>\$ 8,814,487</u>	<u>\$ 21,305,131</u>	<u>\$ 132,875</u>	<u>\$ 3,577,518</u>	<u>\$ 7,110,563</u>	<u>\$ -</u>	<u>\$ 7,110,563</u>	<u>\$ 10,688,081</u>

<sup>1</sup> and Net Position if Enterprise Fund activity is included in the transparency portal report.

*See notes to the supplementary information  
See Independent Auditor's Report*

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*Supplementary Information*  
Annual Supplemental Transparency Portal (MTP2)

*For the Year Ended June 30, 2022*

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
Fund Balance1 - per MTP-2 at June 30, 2021						\$ 481,535	-	\$ 481,535	
<i>No misc. adjustments made for fiscal 2021</i>						-	-	-	
Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2022 adjusted						<u>\$ 481,535</u>	-	<u>\$ 481,535</u>	
School Unrestricted Fund	\$ 595,792	\$ 5,272,797	\$ 5,795,858	\$ 4,329	\$ 68,402	\$ 455,480	\$ -	\$ 455,480	\$ 523,882
SBA School Capital Project Fund	234,689	499	235,188	-	-	-	-	-	-
School Special Revenue Funds	275,744	3,830	252,386	-	27,188	26,055	-	26,055	53,243
<b>Totals per audited financial statements</b>	<u>\$ 1,106,225</u>	<u>\$ 5,277,126</u>	<u>\$ 6,283,432</u>	<u>\$ 4,329</u>	<u>\$ 95,590</u>	<u>\$ 481,535</u>	<u>\$ -</u>	<u>\$ 481,535</u>	<u>\$ 577,125</u>
<b>Reconciliation from financial statements to MTP2</b>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 5,272,797	\$ (5,272,797)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(338,133)	-	(338,133)	-	-	-	-	-	-
Transfers from Unrestricted fund not included on MTP or UCOA file	-	(4,329)	-	(4,329)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 6,040,889</u>	<u>\$ -</u>	<u>\$ 5,945,299</u>	<u>\$ -</u>	<u>\$ 95,590</u>	<u>\$ 481,535</u>	<u>\$ -</u>	<u>\$ 481,535</u>	<u>\$ 577,125</u>
<b>Reconciliation from MTP2 to UCOA</b>									
Miscellaneous variance between MTP2 & UCOA	\$ (1)		\$ (2)						
<b>Totals per UCOA Validated Totals Report - Dated 1/30/2023</b>	<u>\$ 6,040,888</u>		<u>\$ 5,945,297</u>						

<sup>1</sup> and Net Position if Enterprise Fund activity is included in the transparency portal report.  
send to rina san and juan - should not be unclcoding OPEB activity in school tab

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## *Supplementary Information* Annual Supplemental Transparency Portal (MTP2)

*For the Year Ended June 30, 2022*

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

### NOTE 1. Basis of Presentation

The Annual Supplemental Transparency Report (MTP2) is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location. The format of the Annual Supplemental Transparency Report (MTP2) was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

### NOTE 2. Reportable Government Service

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The Annual Supplemental Transparency Report (MTP2) includes a reconciliation to the fund level statements.

### NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

### NOTE 4. Employee Groups - Compensation and Benefit Costs

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

### NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

*Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.*

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The Honorable First Warden and Members of the Town Council  
Town of New Shoreham, Rhode Island  
New Shoreham, Rhode Island

*Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of New Shoreham, Rhode Island (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 31, 2022.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control. Accordingly, we do not express an opinion on the effectiveness of Town's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

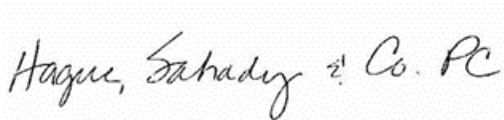
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Hague, Sabady & Co. PC". The signature is written in black ink on a light-colored background.

Fall River, Massachusetts  
December 31, 2022